



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY

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**STATE OF OHIO  
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**REPORT OF INDEPENDENT ACCOUNTANTS**

Village of Cumberland  
Guernsey County  
410 Carl Street  
Cumberland, Ohio 43732

To the Village Council:

We have audited the accompanying financial statements of the Village of Cumberland, Guernsey County, Ohio (the Village), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As 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 of Cumberland, Guernsey County, as of December 31, 2001 and 2000, 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 May 13, 2002 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 management, the 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

May 13, 2002

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**VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$11,504	\$9,344	\$	\$20,848
Intergovernmental Receipts	20,646	14,870	44,200	79,716
Earnings on Investments	796	216		1,012
Miscellaneous	616			616
	<u>33,562</u>	<u>24,430</u>	<u>44,200</u>	<u>102,192</u>
<b>Total Cash Receipts</b>				
	<u>33,562</u>	<u>24,430</u>	<u>44,200</u>	<u>102,192</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	6,555	8,967		15,522
Public Health Services	782			782
Leisure Time Activities	835			835
Transportation		12,072		12,072
General Government	31,593	407		32,000
Capital Outlay		1,149	60,069	61,218
	<u>39,765</u>	<u>22,595</u>	<u>60,069</u>	<u>122,429</u>
<b>Total Cash Disbursements</b>				
	<u>39,765</u>	<u>22,595</u>	<u>60,069</u>	<u>122,429</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(6,203)</u>	<u>1,835</u>	<u>(15,869)</u>	<u>(20,237)</u>
<b>Other Financing Receipts:</b>				
Proceeds of Loan			5,000	5,000
	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>5,000</u>
<b>Total Other Financing Receipts</b>				
	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>5,000</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements</b>	<u>(6,203)</u>	<u>1,835</u>	<u>(10,869)</u>	<u>(15,237)</u>
<b>Fund Cash Balances, January 1</b>	<u>12,793</u>	<u>11,648</u>	<u>14,161</u>	<u>38,602</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$6,590</u></u>	<u><u>\$13,483</u></u>	<u><u>\$3,292</u></u>	<u><u>\$23,365</u></u>
<b>Reserves for Encumbrances, December 31</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$7,288</u></u>	<u><u>\$7,288</u></u>

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

**VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$121,997
Total Operating Cash Receipts	121,997
<b>Operating Cash Disbursements:</b>	
Personal Services	20,050
Fringe Benefits	2,201
Contractual Services	39,461
Supplies and Materials	16,669
Miscellaneous	300
Total Operating Cash Disbursements	78,681
Operating Income/(Loss)	43,316
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	36,160
Total Non-Operating Cash Disbursements	36,160
Net Receipts Over/(Under) Disbursements	7,156
Fund Cash Balances, January 1	11,532
<b>Fund Cash Balances, December 31</b>	<b>\$18,688</b>

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



**VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$13,010	\$10,352	\$	\$23,362
Intergovernmental Receipts	14,090	13,576	41,250	68,916
Earnings on Investments	1,219	314		1,533
Miscellaneous	447			447
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	28,766	24,242	41,250	94,258
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	4,044	8,650		12,694
Public Health Services	498			498
Leisure Time Activities	584			584
Transportation		13,606		13,606
General Government	29,299	67		29,366
Capital Outlay		379	38,138	38,517
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	34,425	22,702	38,138	95,265
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(5,659)	1,540	3,112	(1,007)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other Financing Receipts:</b>				
Proceeds of Loan			8,544	8,544
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts	0	0	8,544	8,544
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(5,659)	1,540	11,656	7,537
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	18,452	10,108	2,505	31,065
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$12,793</b>	<b>\$11,648</b>	<b>\$14,161</b>	<b>\$38,602</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$114,471
Total Operating Cash Receipts	114,471
<b>Operating Cash Disbursements:</b>	
Personal Services	5,755
Fringe Benefits	554
Contractual Services	44,403
Supplies and Materials	27,028
Miscellaneous	100
Total Operating Cash Disbursements	77,840
Operating Income/(Loss)	36,631
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	25,589
Total Non-Operating Cash Disbursements	25,589
Net Receipts Over/(Under) Disbursements	11,042
Fund Cash Balances, January 1	490
<b>Fund Cash Balances, December 31</b>	<b>\$11,532</b>

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

**VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Cumberland, Guernsey 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, water utilities, and park operations. The Village contracts with the Guernsey County Sheriff's department to provide security of persons and property. The Village appropriates General Fund money to support a volunteer fire department.

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. Fund Accounting**

The Village uses fund accounting to segregate cash that is restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

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

*Fire Tax Levy Fund* - This fund receives tax levy money used to maintain and improve the fire protection services.

**VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Fund Accounting (Continued)**

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

*Grant Construction Fund* - This fund receives grant monies from Ohio Department of Development which are being used for the Water System Upgrade and Water Tower Projects.

**4. Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Fund:

*Water Fund* - This fund receives charges for services from residents to cover the cost of providing this utility.

**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 object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year, with the exception of one particular fund/account line item which was carried over at year end of 2001. The Village did not encumber all commitments required by Ohio law.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. 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**

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	2001	2000
Demand deposits	\$42,053	\$50,134
Total deposits	\$42,053	\$50,134

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$31,823	\$33,562	\$1,739
Special Revenue	24,864	24,430	(434)
Capital Projects	158,687	49,200	(109,487)
Enterprise	113,440	121,997	8,557
Total	\$328,814	\$229,189	(\$99,625)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$41,133	\$39,765	\$1,368
Special Revenue	32,526	22,595	9,931
Capital Projects	172,848	67,357	105,491
Enterprise	122,900	114,841	8,059
Total	\$369,407	\$244,558	\$124,849

**VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$26,622	\$28,766	\$2,144
Special Revenue	23,266	24,242	976
Capital Projects	208,481	49,794	(158,687)
Enterprise	111,700	114,471	2,771
Total	\$370,069	\$217,273	(\$152,796)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$47,764	\$34,425	\$13,339
Special Revenue	31,988	22,702	9,286
Capital Projects	192,986	38,138	154,848
Enterprise	111,400	103,429	7,971
Total	\$384,138	\$198,694	\$185,444

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority at the legal level of control during 2001 in the General Fund, Street Construction, Maintenance and Repair Fund, Gasoline Tax Fund, and Water Operating Fund and during 2000 in the General Fund, Street Construction, Maintenance and Repair Fund, Fire Levy Fund, FEMA Fund, Grant Construction Fund and Water Operating Fund.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

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.

**VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Mortgage Revenue Bonds	\$193,700	5.00%
General Obligation Note	26,235	6.00%
Ohio Public Works Commission Loan	189,608	0.00%
Total	<u>\$409,543</u>	

The Mortgage Revenue Bonds consist of the Waterworks System First Mortgage Revenue Bond and the Waterworks System First Mortgage Revenue Replacement Bond. The Waterworks System First Mortgage Revenue Bond was issued for the purpose of improving the municipal waterworks. It is currently paid in annual amounts of \$1,000. The Village has agreed to set utility rates sufficient to cover the debt service requirements. The bonds are collateralized by a mortgage on the utility plant and all additions, extensions and improvements and by water revenue receipts.

The Mortgage System First Mortgage Revenue Replacement Bond was issued to retire previously issued registered bonds as of January 1, 1970 for improving the municipal waterworks. The Village has agreed to set utility rates sufficient to cover the debt service requirements. The bonds are collateralized by a mortgage on the utility plant and all additions, extensions and improvements and by water revenue receipts.

The General Obligation Note was issued to make needed improvements to the Village water/utility department. It is currently paid in monthly amounts of \$444, combined principal and interest. The note is collateralized solely by the full faith, credit and revenue of the Village.

The Ohio Public Works Commission (OPWC) loan was issued to make needed repairs/improvements of the current water plant mandated by the Ohio Environmental Protection Agency. The Ohio Public Works Commission loan is collateralized by the Village's taxing authority. The first payment is not due until July 2002.

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

<u>Year ending December 31:</u>	<u>Mortgage Revenue Bonds</u>	<u>General Obligation Note</u>	<u>Ohio Public Works Commission Loan</u>
2002	\$18,385	\$5,329	\$13,400
2003	18,250	5,329	13,400
2004	18,200	5,329	13,400
2005	18,130	5,329	13,400
2006 - 2010	148,570	9,831	67,000
2011 - 2015	22,000		67,000
2016 - 2020	18,250		2,008
2021 - 2025	4,200		
Total	<u>\$265,985</u>	<u>\$31,147</u>	<u>\$189,608</u>

**VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**6. RETIREMENT SYSTEMS**

The Village's officials and part-time 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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Village has paid all contributions required through December 31, 2001.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

**8. SUBSEQUENT EVENTS**

In a letter dated May 1, 2002, the Ohio EPA issued a proposed civil penalty in the amount of \$18,500 against the Village of Cumberland for violations of Ohio's safe drinking water regulations. The Village and the Ohio EPA are currently negotiating a settlement.





**STATE OF OHIO  
OFFICE OF THE AUDITOR**

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

Village of Cumberland  
Guernsey County  
410 Carl Street  
Cumberland, Ohio 43732

To the Village Council:

We have audited the accompanying financial statements of the Village of Cumberland, Guernsey County, Ohio (the Village), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 13, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2001-31030-001 and 2001-31030-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 13, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we 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 May 13, 2002.

Village of Cumberland  
Guernsey County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of management and the 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". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

May 13, 2002

VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000

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

FINDING NUMBER 2001-31030-001

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(B) requires no subdivision or taxing authority to expend money unless it has been appropriated.

The expenditures exceeded the legislatively approved appropriations at the legal level of control in the following funds/accounts, by the following amounts:

For 2000:

General Fund:

Security of Persons and Property:	
Street Lighting:	
Contractual Service	\$1,069
Public Health Services:	
Payments to County Health District:	
Contractual Services	73
Other Public Health Services:	
Contractual Services	325
Leisure Time Activities:	
Provide and Maintain Parks:	
Supplies and Materials	348
General Government:	
Mayor and Administrative Offices:	
Personal Service	558
Employee Fringe Benefits	530
Contractual Services	617
Clerk/Treasurer:	
Employee Fringe Benefits	25
Contractual Services	330
Land and Buildings:	
Contractual Services	2,099
County Auditor and Treasurer Fees:	
Contractual Services	891

VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000  
(Continued)

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

FINDING NUMBER 2001-31030-001 (Continued)

Noncompliance Citation - Ohio Rev. Code Section 5705.41(B) (Continued)

Street Construction, Maintenance and Repair Fund:

Transportation:

Street Maintenance and Repair:

Personal Services	369
Supplies and Materials	1,424

Street Cleaning, Snow and Ice Removal:

Personal Services	1,392
Supplies and Materials	459

General Government:

Mayor and Administrative Offices:

Employee Fringe Benefits	67
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Fire Levy Fund:

Security of Persons and Property:

Fire Fighting, Prevention and Inspection:

Contractual Services	415
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FEMA Fund:

Transportation:

Storm Sewers and Drains:

Contractual Services	1,478
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Grant Construction Fund:

Capital Outlay:

Capital Outlay:

Supplies and Materials	135
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Water Operating Fund:

Basic Utility Service:

Other Water:

Contractual Services	1,103
Supplies and Materials	4,583

VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000  
(Continued)

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

FINDING NUMBER 2001-31030-001 (Continued)

Noncompliance Citation - Ohio Rev. Code Section 5705.41(B) (Continued)

For 2001:

General Fund:

Security of Persons and Property:	
Fire Fighting, Prevention and Inspection:	
Contractual Services	279
Street Lighting:	
Contractual Services	76
Public Health Services:	
Other Public Health Services:	
Contractual Services	782
Leisure Time Activities:	
Provide and Maintain Parks:	
Supplies and Materials	205
General Government:	
Mayor and Administrative Offices:	
Personal Service	295
Contractual Services	603
Clerk/Treasurer:	
Employee Fringe Benefits	621
Contractual Services	296
Land and Buildings:	
Employee Fringe Benefits	311
County Auditor and Treasurer Fees:	
Contractual Services	955
Distribution of Income Taxes:	
Contractual Services	765

Street Construction, Maintenance and Repair Fund:

Transportation:	
Street Maintenance and Repair:	
Supplies and Materials	423

Storm Sewers and Drains:  
Personal Services

465

**VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**FINDING NUMBER 2001-31030-001 (Continued)**

**Noncompliance Citation - Ohio Rev. Code Section 5705.41(B) (Continued)**

Street Construction, Maintenance and Repair Fund (Continued):

General Government:

Mayor and Administrative Offices:  
Employee Fringe Benefits 407

Gasoline Tax Fund:

Transportation:

Storm Sewers and Drains:  
Contractual Services 582

Water Operating Fund:

Basic Utility Service:

Other Water:  
Personal Services 13,749  
Employee Fringe Benefits 1,601

We recommend the Village Clerk/Treasurer monitor available appropriations, and should deny payments that exceed appropriations. If available resources exist to make payments, management should request the Village Council to consider amending appropriations through Council resolution.

**FINDING NUMBER 2001-31030-002**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D)(1) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

- A. Then and Now Certificates – This exception provides that, if the fiscal officer can certify that both at the time the contract or order was made and at the time of completing the certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrances, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

**VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

<p><b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b></p>
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**FINDING NUMBER 2001-31030-002 (Continued)**

**Noncompliance Citation - Ohio Rev. Code Section 5705.41(D) (Continued)**

- B. Amounts of less than \$1,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Seventy-three percent of the transactions tested for 2000 and sixty-three percent of the transactions tested for 2001 did not include prior certification of the Clerk/Treasurer, nor was there any evidence of a "Then and Now" certificate being used by the Clerk/Treasurer.

We recommend the Village obtain the Clerk's prior certification for all disbursements.

**VILLAGE OF CUMBERLAND  
GUERNSEY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
1999-31030-001	ORC 5705.41(D)(1) – failure to obtain Clerk’s prior certification of the availability of funds.	No	Not corrected; repeated in GAGAS letter as Finding 2001-31030-002.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**VILLAGE OF CUMBERLAND**

**GUERNSEY 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  
JULY 5, 2002**