

VILLAGE OF GLENFORD
ANNUAL REPORT
YEARS ENDED DECEMBER 31, 2003 AND 2002



**Auditor of State
Betty Montgomery**

Village Council
Village of Glenford

We have reviewed the Independent Auditor's Report of the Village of Glenford, Perry County, prepared by Wolfe, Wilson, & Phillips, Inc., for the audit period January 1, 2002 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

July 19, 2004

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**VILLAGE OF GLENFORD
PERRY COUNTY**

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**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Village of Glenford
Perry County
P.O. Box 22
Glenford, Ohio 43739

We have audited the accompanying financial statements of the Village of Glenford, Perry County, Ohio as of and for the year ended December 31, 2003 and 2002. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, if any, 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 Glenford, Perry County as of December 31, 2003 and 2002, and its combined cash receipts and disbursements the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 2004, on our consideration of the Village of Glenford's internal control over financial reporting and our tests of its compliance with 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, Village Council, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 25, 2004

**VILLAGE OF GLENFORD
PERRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 11,975	\$ 4,141	\$ 16,116
Intergovernmental Receipts	-	6,564	6,564
Earnings on Investments	292	303	595
Miscellaneous	<u>2,259</u>	<u>-</u>	<u>2,259</u>
Total Cash Receipts	14,526	11,008	25,534
Cash Disbursements:			
Current:			
Security of Persons and Property	1,812	-	1,812
Leisure Time Activities	995	-	995
Community Environment	-	-	-
Transportation	-	1,398	1,398
General Government	<u>14,293</u>	<u>-</u>	<u>14,293</u>
Total Cash Disbursements	17,100	1,398	18,498
Total Cash Receipts Over/(Under) Cash Disbursements	(2,574)	9,610	7,036
Fund Cash Balance, January 1	<u>13,436</u>	<u>59,215</u>	<u>72,651</u>
Fund cash Balance, December 31	<u><u>\$ 10,862</u></u>	<u><u>\$ 68,825</u></u>	<u><u>\$ 79,687</u></u>

See notes to financial statements.

**VILLAGE OF GLENFORD
PERRY COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating cash Receipts:	
Charges for Services	\$ 63,431
Total Operating Cash Receipts	63,431
Operating Cash Disbursements:	
Personal Services	600
Fringe Benefits	120
Contractual Services	3,600
Supplies and Materials	49,260
Total Operating Cash Disbursements	53,580
Operating Income/(Loss)	9,851
Non-Operating Cash Disbursements:	
Debt Service	11,709
Total Non-Operating Cash Disbursements	11,709
Net Receipts Over/(Under) Disbursements	(1,858)
Fund Cash Balances, January 1	16,488
Fund Cash Balances, December 31	\$ 14,630

See notes to financial statements.

**VILLAGE OF GLENFORD
PERRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 12,047	\$ 4,318	\$ 16,365
Intergovernmental Receipts	1,415	5,715	7,130
Earnings on Investments	434	451	885
Miscellaneous	1,428	-	1,428
Total Cash Receipts	15,324	10,484	25,808
Cash Disbursements:			
Current:			
Security of Persons and Property	1,824	-	1,824
Leisure Time Activities	1,409	-	1,409
Transportation	-	4,044	4,044
General Government	18,849	-	18,849
Total Cash Disbursements	22,082	4,044	26,126
Total Cash Receipts Over/(Under) Cash Disbursements	(6,758)	6,440	(318)
Fund Cash Balance, January 1	20,194	52,775	72,969
Fund cash Balance, December 31	\$ 13,436	\$ 59,215	\$ 72,651

See notes to financial statements.

**VILLAGE OF GLENFORD
PERRY COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating cash Receipts:	
Charges for Services	\$ 60,076
Total Operating Cash Receipts	60,076
Operating Cash Disbursements:	
Personal Services	600
Fringe Benefits	120
Contractual Services	3,600
Supplies and Materials	43,275
Total Operating Cash Disbursements	47,595
Operating Income/(Loss)	12,481
Non-Operating Cash Disbursements:	
Debt Service	14,853
Total Non-Operating Cash Disbursements	14,853
Net Receipts Over/(Under) Disbursements	(2,372)
Fund Cash Balances, January 1	18,860
Fund Cash Balances, December 31	\$ 16,488

See notes to financial statements.

**VILLAGE OF GLENFORD
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Glenford, Perry County (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member council. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with the Perry County Sheriff's department to provide security of persons and property.

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.

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

C. Cash and Investments

The Village invests in a NOW checking account.

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:

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. It also receives donations to fund park operations. There are no park fees.

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 has the following significant Special Revenue Funds.

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

**VILLAGE OF GLENFORD
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

State Highway Fund – This fund receives gasoline tax money for maintaining and repairing state highways within the village.

Enterprise Funds

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

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

Sewer Construction Fund – This fund receives OPWC and OWDA loan proceeds to be used for the sewer project.

E. Budgetary Process

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

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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. Appropriations lapse at year-end.

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. The Village did not use the encumbrance method of accounting.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

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 GLENFORD
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2003	2002
Demand Deposits	\$ 94,317	\$ 89,139

Deposits: Deposits were insured up to \$100,000 by the Federal Deposit Insurance Corporation and by collateral pledged by the financial institution.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 15,865	\$ 14,526	\$ (1,339)
Special Revenue	9,600	11,008	1,408
Enterprise	55,000	63,431	8,431
Total	\$ 80,465	\$ 88,965	\$ 8,500

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 17,100	\$ (17,100)
Special Revenue	-	1,398	(1,398)
Enterprise	-	65,289	(65,289)
Total	\$ -	\$ 83,787	\$ (83,787)

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 15,865	\$ 15,324	\$ (541)
Special Revenue	9,600	10,484	884
Enterprise	55,000	60,076	5,076
Total	\$ 80,465	\$ 85,884	\$ 5,419

**VILLAGE OF GLENFORD
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 22,082	\$ (22,082)
Special Revenue	-	4,044	(4,044)
Enterprise	-	62,448	(62,448)
Total	\$ -	\$ 88,574	\$ (88,574)

Compliance and Accountability:

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority for all funds by the amount of actual expenditures.

Also, unencumbered balances which existed at the end of the preceding year were not filed with the County Auditor. As a result, The County Auditor could not issue an amended certificate of estimated resources.

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 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 County by each April 30.

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

5. DEBT

Debt outstanding at December 31, 2003:

	Principal	Interest Rate
Ohio Public Works Commission Loan	\$ 111,966	4.56%
Ohio Water Development Authority	\$ 8,145	0.00%

The Ohio Public Works Commission (OPWC) loan relates to a project through the Ohio Small Government Capital Improvements Commission for a new water storage and distribution system to be connected to the Northern Perry County Water District. The OPWC has approved up to \$150,000 in loans to the Village for this project.

The loans will be repaid in semiannual installments of \$4,927, including interest, over 20 years. The Village borrowed the full \$150,000. The loan is collateralized by utility revenue.

**VILLAGE OF GLENFORD
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

5. DEBT (Continued)

The Village has a loan financed through the Ohio Water Development Authority (OWDA) which relates to a planning loan used to assist with the costs of detail engineering plans for a new wastewater collection system. The OWDA has approved up to \$50,000 in loans to the Village for this project. The zero interest loan will be repaid in annual installments of \$5,000 over 10 years, with the first payment being made in 2001. The Village borrowed \$20,000. The loan has been collateralized with projected utility receipts.

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

Year Ending December 31	Water OPWC Loan	Wastewater OWDA Loan	Totals
2004	\$ 9,853	\$ 5,000	\$ 9,927
2005	9,853	3,145	14,853
2006	9,853	-	14,853
2007	9,853	-	14,853
2008	9,853	-	14,853
Subsequent	88,680	-	133,312
Total	<u>\$ 137,995</u>	<u>\$ 8,145</u>	<u>\$ 202,651</u>

6. RETIREMENT SYSTEMS

The Village's elected officials and 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 2003 and 2002, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants gross salaries for the periods January 1, 2003 through December 31, 2003 and January 1, 2002 through December 31, 2002. The Village has paid all contributions required through December 31, 2003.

6. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

The Village also provides health and life insurance to full time employees through a private carrier.

**VILLAGE OF GLENFORD
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

6. RISK MANAGEMENT (Continued)

Risk Pool Membership

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

Casualty excess-of-loss contracts at December 31, 2002 and 2001 (latest information available) generally protect against individual losses over \$150,000 prior to April 1, 2000; \$100,000 for policies issued between April 1, 2000 and March 31, 2002; and \$125,000 for policies issued after April 1, 2002 or later.

Property coverage contracts protect against losses, subject to a deductible of \$50,000, limited to an annual aggregate loss of the greater of \$300,000 or 1% of total coverage. The Pool cedes reinsurances or excess reinsurers. The Pool is contingently liable should any reinsurer become unable to meet its obligations under the reinsurance agreements. The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained (deficit) earnings at December 31, 2002 and 2001 (the latest information available):

	<u>2002</u>	<u>2001</u>
Assets	\$ 1,852,060	\$ 3,354,251
Liabilities	<u>(3,627,321)</u>	<u>(4,851,866)</u>
Retained (deficit) earnings	<u>\$ (1,775,261)</u>	<u>\$ (1,497,615)</u>

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Village of Glenford
Perry County
P.O. Box 22
Glenford, Ohio 43739

We have audited the financial statements of the Village of Glenford as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 25, 2004. 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 of Glenford'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* and which are described in the accompanying Schedule of Findings as items 2003-01 through 2003-04. We also noted certain immaterial instances of noncompliance which we have reported to management of Village of Glenford in a separate letter dated June 25, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village of Glenford'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. However, we noted instances 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 of Glenford's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 2003-01, 2003-02, and 2003-05.

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, reportable conditions 2003-01 and 2003-02 described above are considered to be material weaknesses. We also noted other matters involving internal control over financial reporting that we have reported to management in a separate letter dated June 25, 2004.

Report on Internal Control and Compliance
Page 2

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

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 25, 2004

**VILLAGE OF GLENFORD
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

<i>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</i>

FINDING NUMBER 2003-01

Noncompliance Citation and Material Weakness

Ohio Revised Code Section 5705.41(D), states that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the Village Clerk. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two exceptions to the above requirements:

- A. Then and Now Certificates – This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that the fiscal officer is 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 previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

- B. If the amount involved is less than \$3,000 dollars (effective April 7, 2003, prior to that date, the dollar limit was \$1,000) the Village Clerk may authorize payment through a Then and Now Certificate without affirmation of the Village Council, if such expenditure is otherwise valid.

The Village's fiscal officer did not certify funds during the audit period either before or after a commitment was incurred. Failure to certify funds could result in deficit spending.

We recommend purchase orders be utilized to certify availability of funds prior to commitments being incurred. Appropriations should then be encumbered and balances maintained of unencumbered appropriations. Additional purchase orders should be issued only after the fiscal officer determines that sufficient unencumbered appropriations exist in the amount of the requested purchase.

**VILLAGE OF GLENFORD
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

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

FINDING NUMBER 2003-02

Noncompliance Citation and Material Weakness

Oho Administrative Code 117-2-02 states that all public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions and prepare financial statements.

The Clerk-Treasurer did establish a receipts ledger, appropriation ledger, and cash ledger on spreadsheets. All activity on the receipts ledger and appropriation ledger should be recorded on the cash ledger to maintain the cash balances on a monthly basis. We noted during testing that some items posted on the receipts and appropriation ledgers were not posted on the cash ledger and some items on the cash ledger were not posted on the receipts or appropriation ledgers. Also the receipts and appropriation ledgers need to indicate what account (within the fund) the transaction should be posted to. The receipts and appropriation ledgers should also indicate the budgeted amounts so that the Village can provide monthly budget vs. actual information to the Village Council.

We recommend the Village to continue using the receipts ledger, appropriations ledger, and cash ledger and apply the provisions above in regards to account detail and budget information. We also recommend that the Clerk check the posting to all ledgers to make sure that all information is recorded on all appropriate ledgers.

FINDING NUMBER 2003-03

Noncompliance Citation

Ohio Revised Code Section 5705.38 states that on or about the first day of each fiscal year, an appropriation measure is to be passed. No appropriation measure shall become effective until the County Auditor files with the appropriating authority a certificate that total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official certificate.

The Village Council minutes indicate that appropriations were passed for 2003 and 2002 and an ordinance was presented for audit. However, The Village has no certificate from the County Auditor indicating that appropriations do not exceed estimated resources. As a result, the Village had no valid appropriations from which to expend funds.

We recommend that the Village obtain the County Auditor's certification that appropriations do not exceed estimated resources.

**VILLAGE OF GLENFORD
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

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

FINDING NUMBER 2003-04

Noncompliance Citation

Ohio Revised Code Section 5705.36 states that on or about the first day of each fiscal year, the fiscal officers of the subdivisions and other taxing units are to certify to the County Auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.

The Village failed to file the certificate with the County Auditor for either year during the audit period. This was verified with the Perry County Auditor. This could result in the Village not having an amended certificate of estimated resources on which to base appropriations.

We recommend that the Village file the certificate to enable the County Auditor to issue an amended certificate of estimated resources.

FINDING NUMBER 2003-05

Reportable Condition

The Village Clerk did not present financial reports or bank reconciliations to Village Council for review. Without formally designating which reports the Clerk is to present, and when these reports are to be presented and reviewed by Council, Council may not be fully aware of the financial status of the Village. This may also lead to Council being unaware of items such as long outstanding checks, which may need to be brought to Council's attention so further action may be taken.

We recommend the Clerk prepare monthly financial reports which include budget vs. actual information for revenues and expenditures, as well as reconciliations of bank balances to fund balances. Council should formally review and approve said reports, with Council's approval being noted in the minutes.

**VILLAGE OF GLENFORD
PERRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2001-31064-001	ORC 5705.10 Audit Adjustment	Yes	Finding No Longer Valid. Adjustment posted in 2002.
2001-31064-002	ORC 5705.41(D)	No	Not Corrected. Cited in current report.
2001-31064-003	ORC 5705.38	No	Not Corrected. Cited in current report.
2001-31064-004	ORC 5705.36	No	Not Corrected. Cited in current report
2001-31064-005	Ohio Admin Code 117-2-02	No	Partially Corrected. The Village has established a receipts ledger and appropriation ledger but no budget comparisons are prepared for Village use.
2001-31064-006	Bank reconciliations not prepared.	Yes	Finding No Longer Valid. Monthly bank reconciliations are completed by clerk.
2001-31064-007	Reports and Bank Reconciliations not presented to Council for review	No	Not Corrected. Cited in current report.



**Auditor of State
Betty Montgomery**

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800-282-0370
Facsimile 614-466-4490

VILLAGE OF GLENFORD

PERRY 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
AUGUST 5, 2004**