



**Auditor of State
Betty Montgomery**

VILLAGE OF PENINSULA
SUMMIT COUNTY

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Village of Peninsula
Summit County
1582 Main Street
P.O. Box 177
Peninsula, Ohio 44264-0177

To the Village Council:

We have audited the accompanying financial statements of the Village of Peninsula, Summit County, Ohio, (the Village) as of and for the years 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 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 Peninsula as of December 31, 2003 and 2002, 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 June 25, 2004 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 and Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 25, 2004

**VILLAGE OF PENINSULA
SUMMIT COUNTY**

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

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Property Tax and Other Local Taxes	\$16,201	\$102,050		\$0	\$118,251
Municipal Income Taxes	258,009				258,009
Intergovernmental Receipts	155,015	206,224	\$8,100		369,339
Charges for Services	7,186	792			7,978
Fines, Licenses, and Permits	73,019	7,141			80,160
Earnings on Investments	2,910	409			3,319
Miscellaneous	26,593	30,952			57,545
Total Cash Receipts	538,933	347,568	8,100	0	894,601
Cash Disbursements:					
Current:					
Security of Persons and Property	290,168	52,713			342,881
Public Health Services	8,033				8,033
Community Environment	8,079	1,200			9,279
Basic Utility Services		27,910			27,910
Transportation	29,208	147,030			176,238
General Government	216,426	25,245			241,671
Capital Outlay	24,663	15,687			40,350
Total Cash Disbursements	576,577	269,785	0	0	846,362
Total Receipts Over/(Under) Disbursements	(37,644)	77,783	8,100	0	48,239
Other Financing Receipts and (Disbursements):					
Other Financing Sources	50				50
Transfers-In		2,377	900		3,277
Advances-In	14,509	33,000			47,509
Transfers-Out	(3,277)				(3,277)
Advances-Out	(33,000)	(8,000)	(6,509)		(47,509)
Total Other Financing Receipts/(Disbursements)	(21,718)	27,377	(5,609)	0	50
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(59,362)	105,160	2,491	0	48,289
Fund Cash Balances, January 1	157,454	113,591	4,948	107	276,100
Fund Cash Balances, December 31	\$98,092	\$218,751	\$7,439	\$107	\$324,389
Reserves for Encumbrances, December 31	\$25,197	\$178,392	\$220,000	\$0	\$423,589

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

**VILLAGE OF PENINSULA
SUMMIT COUNTY**

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

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Property Tax and Other Local Taxes	\$13,337	\$106,626		\$0	\$119,963
Municipal Income Taxes	254,290				254,290
Intergovernmental Receipts	203,657	73,978	\$23,100		300,735
Charges for Services	6,887	3,940			10,827
Fines, Licenses, and Permits	79,120	9,102			88,222
Earnings on Investments	4,285	471			4,756
Miscellaneous	3,533				3,533
Total Cash Receipts	565,109	194,117	23,100	0	782,326
Cash Disbursements:					
Current:					
Security of Persons and Property	283,179	52,579			335,758
Public Health Services	6,011	13,160			19,171
Community Environment	21,060				21,060
Basic Utility Services	294				294
Transportation	42,970	88,378			131,348
General Government	211,345	8,315			219,660
Capital Outlay	24,063	47,015	42,333		113,411
Total Cash Disbursements	588,922	209,447	42,333	0	840,702
Total Receipts Under Disbursements	(23,813)	(15,330)	(19,233)	0	(58,376)
Other Financing Receipts and (Disbursements):					
Other Financing Sources	28			66	94
Transfers-In		3,288	1,864		5,152
Advances-In	20,290	12,451	35,452		68,193
Transfers-Out	(1,864)	(3,288)			(5,152)
Advances-Out	(47,903)	(925)	(19,365)		(68,193)
Total Other Financing Receipts/(Disbursements)	(29,449)	11,526	17,951	66	94
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(53,262)	(3,804)	(1,282)	66	(58,282)
Fund Cash Balances, January 1	210,716	117,395	6,230	41	334,382
Fund Cash Balances, December 31	\$157,454	\$113,591	\$4,948	\$107	\$276,100
Reserves for Encumbrances, December 31	\$31,007	\$10,711	\$0	\$0	\$41,718

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

**VILLAGE OF PENINSULA
SUMMIT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - AGENCY FUND
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	2003	2002
Non-Operating Cash Receipts:		
Mayor's Court Receipts	\$90,196	\$112,342
Non-Operating Cash Disbursements:		
Mayor's Court Disbursements	90,246	112,440
Excess of Cash Receipts Under Cash Disbursements	(50)	(98)
Fund Cash Balances, January 1	100	198
Fund Cash Balances, December 31	\$50	\$100
Reserve for Encumbrances, December 31	\$0	\$0

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

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**VILLAGE OF PENINSULA
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Peninsula, Summit 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 government services, park operations, and police services. The Village contracts with Valley Fire District to provide fire protection and emergency medical services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. 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

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.

Certificates of deposit are valued at cost.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue 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.

**VILLAGE OF PENINSULA
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund (Continued)

Road Levy Fund -This fund receives tax proceeds from a special road levy to provide for road repairs and maintenance within the Village.

Police Levy Fund -This fund receives tax proceeds from a special police levy to fund the Village's police department.

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 Funds:

Major Road Capital Improvement Fund - This fund receives federal grant proceeds. The proceeds are being used to complete road resurfacing.

Sidewalk Capital Improvement Fund - This fund receives federal grant proceeds. The proceeds are being used to complete sidewalk improvements.

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:

Unclaimed Funds Fund - This Expendable Trust Fund is used to account for funds related to warrants that have not been cashed by the payee.

Mayor's Court Fund - This Agency Fund is used to account for the activity of the Village's Mayor's Court.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

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

VILLAGE OF PENINSULA
SUMMIT COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (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 2003 and 2002 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

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:

	2003	2002
Demand deposits	\$221,825	\$174,735
Certificates of deposit	102,614	101,465
Total deposits	<u>\$324,439</u>	<u>\$276,200</u>

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

**VILLAGE OF PENINSULA
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

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	\$475,713	\$538,983	\$63,270
Special Revenue	443,081	349,945	(93,136)
Capital Projects	220,000	9,000	(211,000)
Expendable Trust	0	0	0
Total	<u>\$1,138,794</u>	<u>\$897,928</u>	<u>(\$240,866)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$645,618	\$605,051	\$40,567
Special Revenue	544,220	448,177	96,043
Capital Projects	224,947	220,000	4,947
Expendable Trust	107	0	107
Total	<u>\$1,414,892</u>	<u>\$1,273,228</u>	<u>\$141,664</u>

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$475,728	\$565,137	\$89,409
Special Revenue	250,957	197,405	(53,552)
Capital Projects	91,100	24,964	(66,136)
Expendable Trust	0	66	66
Total	<u>\$817,785</u>	<u>\$787,572</u>	<u>(\$30,213)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$695,445	\$621,793	\$73,652
Special Revenue	368,350	223,446	144,904
Capital Projects	88,329	42,333	45,996
Expendable Trust	0	0	0
Total	<u>\$1,152,124</u>	<u>\$887,572</u>	<u>\$264,552</u>

**VILLAGE OF PENINSULA
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund; Motor Vehicle License, Street Construction, Maintenance and Repair, Road Levy, State Highway Improvement, CDBG, FEMA and Police Levy Special Revenue Funds and the Riverview Road Capital Improvement, Sidewalk Capital Improvement and Major Road Capital Improvement Capital Project Funds at various times throughout the years ended December 31, 2003 and 2002. Also, contrary to Ohio law, the Village maintained significant negative cash fund balances in the Road Levy and Police Levy Special Revenue Funds and the Major Road Capital Improvement and Riverview Road Capital Improvement Capital Project Funds at various times throughout the years ended December 31, 2003 and 2002. Also, contrary to Ohio law, the Village misused blanket purchase orders by maintaining multiple open blanket purchase orders for the same line item appropriation at the same time and failing to close blanket purchase orders prior to fiscal year end.

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.

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

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

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

5. LOCAL INCOME TAX

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. The Village allows a 50 percent credit of income taxes paid to another municipality.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village's income tax collection agency either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

6. CAPITAL LEASES

The Village entered into lease agreements as a lessee for financing the acquisition of office equipment and vehicles during fiscal years 2003 and 2002. The future minimum lease payments and the net present value of minimum lease payments under these capital leases as of December 31, 2003 were as follows:

**VILLAGE OF PENINSULA
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

6. CAPITAL LEASES (Continued)

<u>Year Ending December 31</u>	
2004	\$17,213
2005	9,929
2006	5,437
2007	1,188
2008	<u>792</u>
	34,559
Less amount representing interest	<u>(2,350)</u>
Present value of minimum lease payments	<u>\$32,209</u>

7. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. These plans provide 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, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. For 2003 and 2002, OPERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2003.

8. RISK MANAGEMENT

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 insurance coverage to full-time employees through a private carrier.

9. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



**Auditor of State
Betty Montgomery**

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

Village of Peninsula
Summit County
1582 Main Street
P.O. Box 177
Peninsula, Ohio 44264-0177

To the Village Council:

We have audited the accompanying financial statements of the Village of Peninsula, Summit County, Ohio, (the Village) 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'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 2003-001 through 2003-003.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 25, 2004.

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 June 25, 2004.

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Village of Peninsula
Summit County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 25, 2004

VILLAGE OF PENINSULA
SUMMIT COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002

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

NONCOMPLIANCE CITATIONS

FINDING NUMBER 2003-001

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

During fiscal years 2003 and 2002, 72 object level appropriation line items (the Village's legal level of control) had numerous occurrences throughout the audit period in which expenditures plus outstanding encumbrances exceeded appropriations within the following funds: General Fund; Motor Vehicle License, Street Construction, Maintenance and Repair, State Highway, Road Levy, Police Levy, CDBG, FEMA and Police Levy Special Revenue Funds and Major Road Capital Improvement, Riverview Road Capital Improvement and Sidewalk Capital Improvement Capital Project Funds.

The Clerk/Treasurer should follow the certification requirements of Ohio Rev. Code Section 5705.41 and frequently compare actual expenditures plus outstanding encumbrances to appropriations at the legal level of control to avoid overspending.

FINDING NUMBER 2003-002

Ohio Rev. Code Section 5705.10 requires that monies paid into any fund be used only for the purposes for which such fund is established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund. The Village reported negative cash fund balances in the Police Levy Fund of \$2,377 at December 31, 2002 and the Major Road Capital Improvement Fund of \$2,431 at December 31, 2003. Additionally, the following funds maintained negative cash fund balances during 2003 and 2002:

2003	Range
Special Revenue	
Road Levy	(\$1,002 - \$17,674)
Police Levy	(5,824 - 6,486)
2002	Range
Capital Project	
Major Road Capital Improvement	(\$437 - \$2,431)
Riverview Road Capital Improvement	(964 - 1,864)

Additionally, money spent for purposes other than specified in grant agreements could result in the loss of future grant awards. Fund activity should be monitored to prevent future expenditures in excess of available resources. In those cases where additional funds are required, the resources should either be transferred or advanced to the fund in accordance with the Ohio Rev. Code.

NONCOMPLIANCE CITATIONS (Continued)

FINDING NUMBER 2003-003

Ohio Rev. Code Section 5705.41(D) states that fiscal officers may prepare “blanket” certificates not exceeding \$5,000 against any specific line item account over a period not exceeding three months or running beyond the current fiscal year (effective September 26, 2003; fiscal officers may prepare blanket certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority and the three month requirement was removed). Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation. In addition to these blanket certificates, a subdivision may also issue “super blanket” certificates for any amount for expenditures and contracts from a specific line-item appropriation account in a specified fund for most professional services, fuel, oil, food items and any other specific recurring and reasonably predictable operating expense. These so-called super blanket certificates are not to extend beyond the fiscal year. More than one super blanket certificate may be outstanding at one particular time for a particular line-item appropriation account.

During 2003 and 2002, 75% of the blanket and super blanket certificates tested were open beyond the end of the fiscal year and in one instance there was more than one blanket certificate open per line item appropriation at the same time. The Clerk/Treasurer should periodically review outstanding purchase orders (which contain the Clerk/Treasurer’s certification) to help ensure that open blanket certificates do not exceed the allowed period of time and that only one is outstanding per line item appropriation. Additionally, subsequent to September 26, 2003, the Village should not use blanket certificates (with the exception of super blanket certificates) unless the Village Council has passed legislation specifically identifying the amount allowed by “blanket” certificates.



**Auditor of State
Betty Montgomery**

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VILLAGE OF PENINSULA

SUMMIT 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 19, 2004**