

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

*Financial Statements
(Audited)*

For The Years Ended
December 31, 2010 and 2009

MARTHA MAZZIE, FISCAL OFFICER



Dave Yost • Auditor of State

Members of Council
Village of Galena
9 West Columbus Street
P.O. Box 386
Galena, Ohio 43201

We have reviewed the *Independent Auditor's Report* of the Village of Galena, Delaware County, prepared by Julian & Grube, Inc., for the audit period January 1, 2009 through December 31, 2010. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Galena is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 14, 2011

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**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Members of Council and Mayor
Village of Galena
9 West Columbus Street
P.O. Box 386
Galena, Ohio 43201-0386

We have audited the accompanying financial statements of the Village of Galena, Delaware County, Ohio, as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Village of Galena'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 described more fully in Note 2, the Village of Galena prepared these financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village of Galena's larger (i.e. major) funds separately. While the Village of Galena does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require the Village of Galena to reformat their statements. The Village of Galena has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village of Galena, Delaware County, Ohio, as of December 31, 2010 and 2009, or its changes in financial position or cash flows, where applicable for the years then ended.

Independent Auditor's Report
Village of Galena
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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Galena, Delaware County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements and combined budgeted and actual receipts and budgeted and actual disbursements for the years then ended on the accounting basis Note 2 describes.

The Village of Galena has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2011, on our consideration of the Village of Galena's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Julian & Grube, Inc.
April 29, 2011

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES
ALL FUND TYPES
DECEMBER 31, 2010 AND 2009

<u>Cash and Cash Equivalents</u>	2010	2009
Cash and Cash Equivalents	\$ 561,265	\$ 578,731
Total Cash and Cash Equivalents	\$ 561,265	\$ 578,731
 <u>Cash Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General	\$ 272,042	\$ 246,891
Special Revenue	209,608	210,023
Total Governmental Funds	481,650	456,914
 <u>Proprietary Fund Type:</u>		
Enterprise	79,615	121,817
Total Fund Balances	\$ 561,265	\$ 578,731

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Local taxes	\$ 65,624	\$ -	\$ 65,624
Municipal income tax	206,715	-	206,715
Intergovernmental	44,024	464,264	508,288
Fines, licenses, and permits	775	-	775
Interest	812	409	1,221
Miscellaneous	18,137	8,100	26,237
Total cash receipts	<u>336,087</u>	<u>472,773</u>	<u>808,860</u>
Cash disbursements:			
Current:			
Leisure time activities	38,952	160,922	199,874
Community environment	7,597	-	7,597
Transportation	-	101,674	101,674
General government	243,612	-	243,612
Capital outlay	-	210,592	210,592
Debt service:			
Principal retirement	325,000	-	325,000
Interest and fiscal charges	8,125	-	8,125
Total cash disbursements	<u>623,286</u>	<u>473,188</u>	<u>1,096,474</u>
Total cash receipts over/(under) cash disbursements	<u>(287,199)</u>	<u>(415)</u>	<u>(287,614)</u>
Other financing receipts:			
Proceeds from sale of notes	312,300	-	312,300
Other sources	50	-	50
Total other financing receipts	<u>312,350</u>	<u>-</u>	<u>312,350</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements	25,151	(415)	24,736
Cash fund balances, January 1, 2010	<u>246,891</u>	<u>210,023</u>	<u>456,914</u>
Cash fund balances, December 31, 2010	<u>\$ 272,042</u>	<u>\$ 209,608</u>	<u>\$ 481,650</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN CASH FUND BALANCE - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 159,178
Total operating cash receipts	159,178
Operating cash disbursements:	
Personal services	26,000
Employee fringe benefits	6,240
Contractual services	50,325
Supplies and material	79,440
Total operating cash disbursements	162,005
Operating (loss)	(2,827)
Nonoperating cash receipts/(disbursements):	
Proceeds of notes	353,958
Debt service:	
Principal	(375,800)
Interest	(17,533)
Total nonoperating cash receipts/(disbursements)	(39,375)
Net (loss)	(42,202)
Cash fund balance, January 1, 2010	121,817
Cash fund balance, December 31, 2010	\$ 79,615

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2010 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2010 Appropriations	Total	Actual 2010 Disbursements	Encumbrances Outstanding at 12/31/10	Total	Variance Favorable (Unfavorable)
Governmental:												
General	\$ 246,891	\$ 624,489	\$ 871,380	\$ 648,437	\$ 23,948	\$ -	\$ 736,165	\$ 736,165	\$ 623,286	\$ -	\$ 623,286	\$ 112,879
Special Revenue	210,023	193,150	403,173	472,773	279,623	-	525,742	525,742	473,188	-	473,188	52,554
Capital Projects	-	192,620	192,620	-	(192,620)	-	-	-	-	-	-	-
Proprietary:												
Enterprise	121,817	501,599	623,416	513,136	11,537	-	573,217	573,217	555,338	-	555,338	17,879
○ Total (Memorandum Only)	<u>\$ 578,731</u>	<u>\$ 1,511,858</u>	<u>\$ 2,090,589</u>	<u>\$ 1,634,346</u>	<u>\$ 122,488</u>	<u>\$ -</u>	<u>\$ 1,835,124</u>	<u>\$ 1,835,124</u>	<u>\$ 1,651,812</u>	<u>\$ -</u>	<u>\$ 1,651,812</u>	<u>\$ 183,312</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Local taxes	\$ 63,767	\$ -	\$ -	\$ 63,767
Municipal income tax	240,535	-	-	240,535
Intergovernmental	112,641	37,460	10,495	160,596
Charges for services	1,450	-	-	1,450
Interest	2,380	423	-	2,803
Miscellaneous	615	529	-	1,144
Total cash receipts	421,388	38,412	10,495	470,295
Cash disbursements:				
Current:				
Security of persons and property	76,000	-	-	76,000
Leisure time activities	39,196	-	-	39,196
Community environment	10,807	-	-	10,807
Transportation	-	30,224	-	30,224
General government	222,241	-	-	222,241
Capital outlay	-	-	10,495	10,495
Debt service:				
Principal retirement	312,000	-	-	312,000
Interest and fiscal charges	13,690	-	-	13,690
Total cash disbursements	673,934	30,224	10,495	714,653
Total cash receipts over/(under) cash disbursements	(252,546)	8,188	-	(244,358)
Other financing receipts/(disbursements):				
Proceeds from sale of notes	325,690	-	-	325,690
Other uses	(178)	-	-	(178)
Total other financing receipts/(disbursements)	325,512	-	-	325,512
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	72,966	8,188	-	81,154
Cash fund balances, January 1, 2009	173,925	201,835	-	375,760
Cash fund balances, December 31, 2009	\$ 246,891	\$ 210,023	\$ -	\$ 456,914

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN CASH FUND BALANCE - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2009

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 170,181
Total operating cash receipts	170,181
Operating cash disbursements:	
Personal services	26,000
Employee fringe benefits	6,240
Contractual services	53,497
Supplies and material	56,236
Total operating cash disbursements	141,973
Operating income	28,208
Nonoperating cash receipts/(disbursements):	
Proceeds of notes	363,965
Debt service:	
Principal	(370,800)
Interest	(24,489)
Total nonoperating cash receipts/(disbursements)	(31,324)
Net (loss)	(3,116)
Cash fund balance, January 1, 2009	124,933
Cash fund balance, December 31, 2009	\$ 121,817

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF GALENA
DELAWARE COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2009 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2009 Appropriations	Total	Actual 2009 Disbursements	Encumbrances Outstanding at 12/31/09	Total	Variance Favorable (Unfavorable)
	Governmental:											
General	\$ 173,925	\$ 675,479	\$ 849,404	\$ 747,078	\$ 71,599	\$ -	\$ 697,505	\$ 697,505	\$ 674,112	\$ -	\$ 674,112	\$ 23,393
Special Revenue	201,835	8,670	210,505	38,412	29,742	-	154,000	154,000	30,224	-	30,224	123,776
Capital Projects	-	-	-	10,495	10,495	-	10,495	10,495	10,495	-	10,495	-
Proprietary:												
Enterprise	124,933	504,157	629,090	534,146	29,989	-	567,427	567,427	537,262	-	537,262	30,165
6 Total (Memorandum Only)	\$ 500,693	\$ 1,188,306	\$ 1,688,999	\$ 1,330,131	\$ 141,825	\$ -	\$ 1,429,427	\$ 1,429,427	\$ 1,252,093	\$ -	\$ 1,252,093	\$ 177,334

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of Galena, Delaware County, Ohio, (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 sewer utilities. The Village contracts with the B. S. T. & G. (Berkshire, Sunbury, Trenton, and Galena) Joint Fire District to provide fire protection services. The Village contracted with the Village of Sunbury Police Department to provide police services through December 31, 2009. The Village utilized the Delaware County police services for the year ended December 31, 2010.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Village’s accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Village are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Village.

Governmental Fund 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.

Special Revenue Funds

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

Street Construction, Maintenance & Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets (2010 and 2009).

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Park State Grant Fund - This fund receives grant proceeds to contribute to upgrades of the Ohio to Erie Trail (2010).

Capital Projects 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 funds). The Village had the following significant Capital Projects fund:

Capital Projects - FEMA - This fund was established to receive disaster relief funds and to pay for replacement cost related to damaged property (2009).

Proprietary Fund Type

Enterprise Fund

This fund accounts for operations that are similar to private business enterprises where management intends that the significant cost of providing certain goods/services will be recovered through user charges. The Village had the following Enterprise fund:

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility and note proceeds for the improvements to the Waste Water Treatment Plant (2010 and 2009).

B. BASIS OF ACCOUNTING

These financial statements follow the basis of accounting 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.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within a department and fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates. The Delaware County Commissioner waived this requirement for 2010 and 2009.

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determines that receipts collected will be greater than or less than the prior estimates and the Budget Commission find the revised estimates to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated. There were no outstanding encumbrances at December 31, 2010 and December 31, 2009.

D. CASH AND CASH EQUIVALENTS

For reporting purposes, the Village considers "Cash and Cash Equivalents" to be cash on hand, demand deposits and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Village totaled \$1,221 and \$2,803 for the years ended December 31, 2010 and 2009, respectively.

E. PROPERTY, PLANT AND EQUIPMENT

Capital assets are not capitalized in any of the Village's funds. Instead, capital acquisition and construction costs are reflected as disbursements in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded by the Village.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. UNPAID VACATION AND SICK LEAVE

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

G. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village's cash basis method of accounting.

H. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 3 - COMPLIANCE

- A. The Village had appropriations that exceeded their estimated resources contrary to Ohio Revised Code Section 5705.39 at December 31, 2010 and 2009.
- B. The Village did not properly amend their certificate of available resources contrary to Ohio Revised Code Section 5705.36 during the years ended December 31, 2010 and 2009.
- C. The Village had expenditures in excess of appropriations in noncompliance with Ohio Revised Code Sections 5705.41(B) and 5705.40 at December 31, 2009 and during the year ended December 31, 2009.
- D. The Village did not properly certify expenses contrary to Ohio Revised Code Section 5705.41(D) during the year ended December 31, 2010.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 4 - CASH AND CASH EQUIVALENTS

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 cash equivalents at December 31 was as follows:

	<u>2010</u>	<u>2009</u>
Deposits:		
Demand deposits	\$ 561,265	\$ 452,731
Certificate of deposit	<u>-</u>	<u>126,000</u>
Total Cash and Cash Equivalents	<u>\$ 561,265</u>	<u>\$ 578,731</u>

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

NOTE 5 - DEBT OBLIGATIONS

At December 31, 2010 and 2009, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/10</u>	<u>Balance at 12/31/09</u>
2010 Ohio Various Purpose Notes, issued on March 3, 2010 due on March 3, 2011, bearing an interest rate of 3.0%.	\$ 657,600	\$ -
2009 Ohio Various Purpose Notes, issued on March 4, 2009 due on March 4, 2010, bearing an interest rate of 2.5%.	-	680,000
2006 Ohio Water Development Authority (OWDA), Waste Water Treatment Plant Design Operating Revenue Notes, due in semi-annual installments of \$10,400, bearing an interest rate at 4.99%.	<u>198,431</u>	<u>210,573</u>
Total debt obligations at, December 31	<u>\$ 856,031</u>	<u>\$ 890,573</u>

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 5 - DEBT OBLIGATIONS - (Continued)

Transactions for the years ended December 31, 2010 and 2009 are summarized as follows:

<u>2010</u>	<u>Balance at 01/01/10</u>	<u>Proceeds</u>	<u>Principal Retirement</u>	<u>Balance at 12/31/10</u>
2010 Ohio Various Purpose Notes	\$ -	\$ 657,600	\$ -	\$ 657,600
2009 Ohio Various Purpose Notes	680,000	-	(680,000)	-
2006 OWDA Notes	<u>210,573</u>	<u>8,658</u>	<u>(20,800)</u>	<u>198,431</u>
Total	<u>\$ 890,573</u>	<u>\$ 666,258</u>	<u>\$ (700,800)</u>	<u>\$ 856,031</u>

<u>2009</u>	<u>Balance at 01/01/09</u>	<u>Proceeds</u>	<u>Principal Retirement</u>	<u>Balance at 12/31/09</u>
2009 Ohio Various Purpose Notes	\$ -	\$ 680,000	\$ -	\$ 680,000
2008 Municipal Building Acquisition Notes	312,000	-	(312,000)	-
2008 Waste Water Improvement Bonds	350,000	-	(350,000)	-
2006 OWDA Notes	<u>221,718</u>	<u>9,655</u>	<u>(20,800)</u>	<u>210,573</u>
Total	<u>\$ 883,718</u>	<u>\$ 689,655</u>	<u>\$ (682,800)</u>	<u>\$ 890,573</u>

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2010 are as follows:

<u>Year Ending December 31,</u>	<u>2010 Various Purpose Principal</u>	<u>Interest</u>
2011	<u>\$ 657,600</u>	<u>\$ 19,947</u>
Total	<u>\$ 657,600</u>	<u>\$ 19,947</u>

On April 20, 2006, Ohio Water Development Authority (OWDA) disbursements originated on the Wastewater Treatment Improvements Design Loan. The loan is not yet finalized, thus, no amortization exists; however, the Village is required to make semi-annual principal payments in 2011 in the amount \$10,400.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 6 - TAXES

- A. 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 on the following June 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the Village due to the phasing out of the tax. In calendar years 2006-2010, the Village was fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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

B. LOCAL INCOME TAX

The Village levies a municipal income tax of one 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 the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Regional Income Tax Agency (RITA) either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file the declaration annually. Income tax receipts for the years ended December 31, 2010 and December 31, 2009 were \$206,715 and \$240,535, respectively, and are credited to the General Fund.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 7 - RETIREMENT SYSTEM

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. The plan provides retirement benefits, including post-retirement 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 both 2010 and 2009, OPERS members contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants' gross salaries for both 2010 and 2009. The Village has paid all contributions required through December 31, 2010.

NOTE 8 - RISK MANAGEMENT

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), a nonassessable, unincorporated non-profit association providing a formalized, jointly administered selfinsurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retain 15% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had over 650 members as of December 31, 2008. The Village participates in this coverage.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 8 - RISK MANAGEMENT - (Continued)

In August, 2007, OGRMP formed the Ohio Plan Healthcare Consortium (“OPHC”), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member’s healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 40 members as of December 31, 2008. The Village does not participate in this coverage.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2009 and 2008 (the latest information available), and include amounts for both OPRRM and OPHC:

	<u>2009</u>	<u>2008</u>
Assets	\$ 11,176,186	\$ 10,471,114
Liabilities	<u>(4,852,485)</u>	<u>(5,286,781)</u>
Members' Equity	<u>\$ 6,323,701</u>	<u>\$ 5,184,333</u>

You can read the completed audited financial statements for The Ohio Government Risk Management Plan at the Plan’s website, www.ohioplan.org.

NOTE 9 - CONTINGENT LIABILITIES

The Village is not currently involved in litigation.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 10 - SUBSEQUENT EVENTS

On January 24, 2011, the Village paid off \$312,300 of the 2010 Ohio Various Purpose Notes by issuing Bond Anticipation Notes in the amount of \$400,000, which includes additional funds to make the municipal building handicapped accessible. The Bond Anticipation Notes mature on March 1, 2012, with an interest rate of 3.0%.

On January 27, 2011, the Village paid the remaining \$345,300 of the 2010 Ohio Various Purpose Notes by combining it with the existing 2006 OWDA Notes to form a 30 year loan with principal of \$546,329 at an interest rate of 3.77%.



Julian & Grube, Inc.

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Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Members of Council and Mayor
Village of Galena
9 West Columbus Street
P.O. Box 386
Galena, Ohio 43201-0386

We have audited the financial statements of the Village of Galena, Delaware County, Ohio, as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated April 29, 2011, wherein we noted the Village of Galena followed accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Galena's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Galena's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Galena's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control over financial reporting that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village of Galena's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-VOG-001 described in the accompanying schedule of findings and responses to be a material weakness.

Members of Council and Mayor
Village of Galena

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Galena's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 five instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2010-VOG-002 through 2010-VOG-006.

Village of Galena's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Village of Galena's responses and, accordingly, we express no opinion on them.

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



Julian & Grube, Inc.
April 29, 2011

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF FINDINGS AND RESPONSES

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2010-VOG-001

Material Weakness – Financial Statement Presentation

The Village had receipts and disbursements that were posted incorrectly according to the Village Handbook and the Ohio Revised Code.

The following adjustments were necessary to properly state the Village’s financial statements:

An adjustment was necessary to record license tax receipts in the proper fund. License tax receipts in the amount of \$504 were misposted in the Street Construction, Maintenance and Repair Fund instead of the State Highway Fund during the fiscal year ended December 31, 2010. Similar adjustments were necessary for fiscal year ended December 31, 2009 in the net amount of \$179.

During the year ending December 31, 2009, multiple adjustments were necessary to correctly post license tax receipts and gasoline tax receipts which had been posted improperly to the General Fund as Earnings in Investment receipts and Real Property Tax receipts. This decreased the fund balance in the General Fund by \$1,180 and increased the Street Construction, Maintenance and Repair Fund and State Highway Fund by \$1,091 and \$89, respectively. An adjustment was necessary for gasoline tax receipts which were posted to the State Highway Fund instead of the Street Construction, Maintenance and Repair Fund in the amount of \$1,455.

Adjustments were necessary to properly post income tax receipts and tax collection fees for both years ending December 31, 2010 and 2009. These adjustments increased income tax receipts and tax collection fees by \$12,706 and \$12,394 for 2010 and 2009, respectively.

An adjustment was necessary to record on behalf payments as an disbursement and intergovernmental receipt related to an Ohio Public Works Commission Grant during fiscal year ending December 31, 2010 in the amount of \$210,592.

The Village failed to record interest disbursement and proceed on sale of notes related to the Village’s debt held by the Ohio Water Development Authority in the amount of \$8,658 for the year ended December 31, 2010.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF FINDINGS AND RESPONSES

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2010-VOG-001 - (Continued)

Multiple adjustments were necessary to move the Village’s debt transactions from the Capital Projects Fund to the General Fund and the Sewer Operating Fund for fiscal year ended December 31, 2009. This resulted in no change in fund balances since the Village was issuing short term notes to pay off short term notes. Reclassifications for fiscal year ended December 31, 2010 were necessary to move proceeds from notes that was posted improperly as miscellaneous revenue in the General Fund and sale of notes that were classified improperly as other debt proceeds in the Sewer Operating Fund.

Reclassifications were necessary for both years ended December 31, 2010 and 2009 to properly classify payments received from Delaware County as intergovernmental receipts instead of miscellaneous receipts in the amounts of \$24,992 and \$20,398, respectively.

The audited financial statements and Village records have been adjusted for the misstatements above.

In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made. The present system lacks fiscal oversight and approvals and fails to meet the above expectations.

We recommend the Village consult with their auditors, an accounting/consulting firm, the Village Handbook and the Ohio Municipal League and consider obtaining an overall review of the financial statements and notes prior to submitting to the auditor as an additional internal control to help ensure accurate financial reporting.

Client Response: The Fiscal Officer continues to work to provide a sound fiscal environment for the Village.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF FINDINGS AND RESPONSES

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2010-VOG-002

Ohio Revised Code Section 5705.39 in part requires that total appropriations from each fund should not exceed total estimated resources.

The Village had appropriations in excess of estimated resources at December 31, 2010 and December 31, 2009 in the following funds:

	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>December 31, 2010</u>			
<u>Special Revenue Fund:</u>			
Street Construction, Maintenance and Repair	\$ 401,992	\$ 525,742	\$ 123,750
<u>December 31, 2009</u>			
<u>Capital Project Fund:</u>			
Other Capital Project - FEMA	-	10,495	10,495

With appropriations exceeding estimated resources, the Village is appropriating monies that are not in the Treasury or in the process of collection that have been certified with the County Auditor. Thus, over appropriating may cause disbursements to increase and cause a deficit fund balance.

We recommend the Village comply with the Ohio Revised Code by monitoring appropriations so they do not exceed estimated resources. This may be achieved by monitoring the budget more closely on a continual basis and amending estimated resources or appropriations as necessary.

Client Response: The Fiscal Officer will attempt to update estimated revenues on a more timely basis.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF FINDINGS AND RESPONSES

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
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Finding Number	2010-VOG-003
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Ohio Revised Code Sections 5705.36, in part, requires Fiscal Officers to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.

During the years ended December 31, 2010 and 2009, the Village's appropriations exceeded its estimated resources.

The Village had appropriations exceeding its resources which could lead to spending monies not collected or expected to be collected, and thus could lead to a negative fund balance.

We recommend the Village first evaluate its certified estimated resources prior to modifying/approving appropriations to ensure appropriations are less than or equal to certified estimated resources.

Client Response: The Village will attempt to monitor its estimated revenues and appropriations more closely and will request amended certificates as needed.

Finding Number	2010-VOG-004
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Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated.

The Village had disbursements exceeding appropriations in the Sewer Operating Fund at the object level during the year ended December 31, 2009 in the amount of \$31,324 due to not appropriating for debt principal and interest payments.

By not timely and properly modifying the Village's appropriations, the Village is not adequately monitoring appropriations versus expenditures. With expenditures exceeding appropriations, overspending may occur which may result in a negative fund balance.

We recommend that the Village comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring disbursements so they do not exceed lawful appropriations and amending the budget prior to year end. This may be achieved by monitoring the budget more closely on a continual basis.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF FINDINGS AND RESPONSES

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
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Finding Number	2010-VOG-004 - (Continued)
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Client Response: The Village will attempt to monitor the budget more closely and amend appropriations as needed.

Finding Number	2010-VOG-005
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Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section requires that any amendments to an appropriation measure be made by Council resolution and comply with the same provisions of the law as used in making the original appropriations.

Disbursements exceeded appropriations in the Sewer Operating Fund during 2009 due to the Village not appropriating for debt service payments.

By not timely and properly modifying the Village's appropriations, the Village is not adequately monitoring appropriations versus expenditures. With expenditures exceeding appropriations, overspending may occur which may result in a negative fund balance.

We recommend that the Village comply with Ohio Revised Code and Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary.

Client Response: The Village will attempt to monitor the budget more closely and amend appropriations as needed.

Finding Number	2010-VOG-006
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Ohio Revised Code Section 5705.41(D) requires 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.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF FINDINGS AND RESPONSES

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2010-VOG-006 - (Continued)

For the year ended December 31, 2010, 30% of expenditures tested were not certified in a timely manner.

Without timely certification, the Village may expend more funds than available in the Treasury, in the process of collection or then funds appropriated. It may also result in unnecessary purchases.

We recommend that all orders or contracts involving the expenditure of money to be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. A policy and procedure statement adopted by the Council and distributed at least annually may be beneficial. The Village should consider using the “Then” and “Now” certificates where applicable.

Client Response: The Village Fiscal Officer is aware of the requirements and will attempt to monitor purchase orders more closely.

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2008-VOG-001	<u>Significant Deficiency/Material Weakness</u> - The Village had receipts and disbursements that were posted incorrectly in accordance with the Village handbook and the Ohio Revised Code.	No	Repeated as finding 2010-VOG-001
2008-VOG-002	Ohio Revised Code Sections 135.21, 135.351 and 5705.10 maintain various requirements regarding the allocation of interest among funds.	Yes	N/A
2008-VOG-003	Ohio Revised Code Section 5705.38 requires local governments to file an appropriation measure on or about the first day of the year.	Yes	N/A
2008-VOG-004	Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations.	No	Repeated as finding 2010-VOG-005
2008-VOG-005	Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated.	No	Repeated as finding 2010-VOG-004

**VILLAGE OF GALENA
DELAWARE COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2008-VOG-006	Ohio Revised Code Section 5705.41(D) requires 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.	No	Repeated as finding 2010-VOG-006
2008-VOG-007	Ohio Revised Code Section 5705.36 requires Fiscal Officers to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.	Yes	N/A

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Dave Yost • Auditor of State

VILLAGE OF GALENA

DELAWARE 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 28, 2011**