



Mary Taylor, CPA  
Auditor of State



VILLAGE OF SALINEVILLE  
COLUMBIANA COUNTY

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# Mary Taylor, CPA

Auditor of State

Village of Salineville  
Columbiana County  
34 Washington Street  
Salineville, Ohio 43945

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

March 12, 2007

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Village of Salineville  
Columbiana County  
34 Washington Street  
Salineville, Ohio 43945

To the Village Council:

We have audited the accompanying financial statements of the Village of Salineville, Columbiana County, (the Village) as of and for the year ended December 31, 2004. 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 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements 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.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since this Village does not use GAAP to measure financial statement amounts, 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 year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and the reserves for encumbrances of Village of Salineville, Columbiana County, as of December 31, 2004, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the year ended December 31, 2004. The Village 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 March 12, 2007, 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 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.



**Mary Taylor, CPA**  
Auditor of State

March 12, 2007



VILLAGE OF SALINEVILLE  
COLUMBIANA COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$26,249	\$61,894			\$88,143
Municipal Income Tax	132,697	26,880			159,577
Intergovernmental Receipts	50,116	71,054		\$6,000	127,170
Charges for Services	4,618	11,800			16,418
Fines, Licenses, and Permits	19,714				19,714
Earnings on Investments	5,848	552			6,400
Miscellaneous	1,004				1,004
<b>Total Cash Receipts</b>	<b>240,246</b>	<b>172,180</b>		<b>6,000</b>	<b>418,426</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	121,925	38,713			160,638
Public Health Services		22,829			22,829
Basic Utility Services		17,583			17,583
Transportation		98,582			98,582
General Government	98,535	650			99,185
Debt Service:					
Principal Payments	4,530	12,164	\$5,551	165,776	188,021
Interest Payments	875	3,870	1,642	33,741	40,128
Capital Outlay				287,344	287,344
<b>Total Cash Disbursements</b>	<b>225,865</b>	<b>194,391</b>	<b>7,193</b>	<b>486,861</b>	<b>914,310</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>14,381</b>	<b>(22,211)</b>	<b>(7,193)</b>	<b>(480,861)</b>	<b>(495,884)</b>
<b>Other Financing Receipts and (Disbursements):</b>					
Sale of Bonds or Notes				470,885	470,885
Transfers-In			7,193		7,193
Transfers-Out	(7,193)				(7,193)
Other Financing Uses	(114)				(114)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(7,307)</b>		<b>\$7,193</b>	<b>470,885</b>	<b>470,771</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>7,074</b>	<b>(22,211)</b>		<b>(9,976)</b>	<b>(25,113)</b>
Fund Cash Balances, January 1	1,634	125,976			127,610
<b>Fund Cash Balances, December 31</b>	<b>\$8,708</b>	<b>\$103,765</b>		<b>(\$9,976)</b>	<b>\$102,497</b>
Reserves for Encumbrances, December 31	\$2,005	\$988			\$2,993

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

**VILLAGE OF SALINEVILLE  
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<b>Proprietary Fund Types</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$270,086
Fines, Licenses and Permits	50
	270,136
Total Operating Cash Receipts	270,136
<b>Operating Cash Disbursements:</b>	
Personal Services	103,715
Fringe Benefits	275
Contractual Services	54,874
Supplies and Materials	40,273
Capital Outlay	
	199,137
Total Operating Cash Disbursements	199,137
Operating Income/(Loss)	70,999
<b>Non-Operating Cash Receipts:</b>	
Intergovernmental Receipts	630
Earnings on Investments	22
	652
Total Non-Operating Cash Receipts	652
<b>Non-Operating Cash Disbursements:</b>	
Redemption of Principal	38,150
Interest and Other Fiscal Charges	27,650
	65,800
Total Non-Operating Cash Disbursements	65,800
Net Receipts Over/(Under) Disbursements	5,851
Fund Cash Balances, January 1	254,732
<b>Fund Cash Balances, December 31</b>	<b>\$260,583</b>

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

**VILLAGE OF SALINEVILLE  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Salineville, Columbiana County, (the Village) as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with Salineville Volunteer Fire Department to receive fire protection services 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 accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 adequately disclose material matters the Auditor of State prescribes.

**C. Cash and Investments**

The Village's accounting basis includes investments as assets. This basis does not report disbursements for investment purchases or receipts for investment sales. The Village reports gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values certificates of deposit 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 reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

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

*Fire Levy Fund* - This fund receives tax levy monies for fire protection within the Village.

**VILLAGE OF SALINEVILLE  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

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

**3. Debt Service Fund**

These funds account for resources the Village accumulates to pay bond and note debt. The Village had the following significant Debt Service Fund:

*Debt Service Fund* – This fund receives transfers – in from the General Fund to pay note indebtedness.

**4. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

*Waterline Improvement Project Fund* -This fund received intergovernmental receipts to replace waterlines within the Village.

**5. Enterprise Funds**

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

*Water Fund* - This fund receives charges for services from residents to cover water service costs.

*Sewer Fund* - This fund receives charges for services from residents to cover sewer service costs.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**VILLAGE OF SALINEVILLE  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

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

**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. The Village did not encumber all commitments required by Ohio law.

A summary of 2004 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED CASH**

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

	2004
Demand deposits	\$142,814
Certificates of deposit	220,266
Total deposits	\$363,080

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village; or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2004 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$236,024	\$240,246	\$4,222
Special Revenue	145,204	172,180	26,976
Debt Service	7,193	7,193	0
Capital Projects	258,249	476,885	218,636
Enterprise	274,000	270,788	(3,212)
Total	\$920,670	\$1,167,292	\$246,622

**VILLAGE OF SALINEVILLE  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**3. BUDGETARY ACTIVITY - (Continued)**

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$237,658	\$235,177	\$2,481
Special Revenue	228,246	195,379	32,867
Debt Service	7,193	7,193	0
Capital Projects	258,249	486,861	(228,612)
Enterprise	356,459	264,937	91,522
Total	\$1,087,805	\$1,189,547	(\$101,742)

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopts tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The State pays the Village amounts equaling these deductions. The Village includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment is due December 31. The second half payment is due the following June 20.

Property owners assess tangible personal property tax. They must file a list of tangible 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 the Village's behalf.

**5. 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 of the Village.

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

**6. DEBT**

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
Building Municipal Note	\$40,296	Variable
Fire Truck Loan	69,836	3.67%
Police Cruiser Loan	20,550	4.04%
Sanitary Sewer System 1st Mortgage Revenue Bond	527,000	5.00%
Ohio Public Works Commission Loans	234,661	0.00%
Ohio Water Development Authority Loans	461,286	1.90%
Total	\$1,353,629	

**VILLAGE OF SALINEVILLE  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**6. DEBT – (Continued)**

The Village secured an Adjustable Rate Municipal Note to purchase the current office building for the Village. The original note amount of \$70,000 was for a term of 15 years and the building was used as collateral. The loan date was December 21, 1998 with a maturity date of October 12, 2012.

The Fire Truck Loan was used to purchase a fire truck for the Village. The original loan amount of \$139,964 was approved in September 1998 and the fire truck was used as collateral. The loan has a 10 year term with a maturity date of September 24, 2008.

The Cruiser Loan was used to purchase two new cruisers for the Village. The original loan amount of \$26,590 and the cruisers were used as collateral. The loan was issued on September 22, 2003 for a term of five years and a maturity date of October 1, 2008.

The Sanitary Sewer System 1<sup>st</sup> Mortgage Revenue Bond was used to construct a sewer system for the Village. The original bond amount of \$888,900 was dated February 1, 1979. The bond is collateralized by sewer receipts and matures in 2018.

The Ohio Public Works Commission (OPWC) loans relate to the waterline replacement project in the Village. The initial loan amount of the first issue, approved in 1999, was \$243,000, which will be repaid in annual installments of \$12,150 beginning in 2000. In addition, the OPWC has approved up to \$91,000 in a second loan for this project, however, the Village has drawn \$75,512 of the total. This loan is to be repaid in semiannual of \$2,275 beginning January 1, 2001. Both loans are collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover the OPWC debt service requirements.

On June 24, 2004, the Ohio Water Development Authority (OWDA) issued loan #4111 to the Village in the amount of \$1,051,077 to be drawn as needed to complete a waterline replacement project. As of December 31, 2004, the Village drew down \$461,286 to repay two previous OWDA loans in the amounts of \$25,000 and \$200,000 and for new expenditures of the project. This loan has an interest rate of 1.9% and will be repaid in a balloon payment on July 1, 2007. The loans are collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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

Year ending December 31:	Building Loan	Fire Truck Loan	Police Cruiser Loan	Mortgage Revenue Bond	OPWC Loans	OWDA Loan # 4111
2005	7,193	19,142	5,897	53,350	12,150	
2006	7,193	19,142	5,897	53,000	12,150	
2007	7,193	19,142	5,897	53,600	16,535	462,457
2008	7,193	19,142	4,914	53,100	16,535	
2009	7,193			53,550	16,535	
Subsequent	17,533			478,500	160,756	
Total	\$53,498	\$76,568	\$22,605	\$745,100	\$234,661	\$462,457

**VILLAGE OF SALINEVILLE  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**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. The Ohio Revised Code prescribes the plans' retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004, OP&F participants contributed 10 percent of their wages. The Village contributed an amount equal to 19.5 percent of police participant wages. OPERS members contributed 8.5 percent of their wages. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2004.

**8. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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





# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village of Salineville  
Columbiana County  
34 Washington Street  
Salineville, Ohio 43945

To the Village Council:

We have audited the financial statements of Village of Salineville (the Village) as of and for the year ended December 31, 2004, and have issued our report thereon dated March 12, 2007, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Village's management dated March 12, 2007, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Village'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 an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2004-001. In a separate letter to the Village's management dated March 12, 2007, we reported other matters related to noncompliance we deemed immaterial.

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We intend this report solely for the information and use of the audit committee, management, and Council. It is not intended for anyone other than these specified parties.

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

**Mary Taylor, CPA**  
Auditor of State

March 12, 2007

VILLAGE OF SALINEVILLE  
COLUMBIANA COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2004

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

FINDING NUMBER 2004-001  
Noncompliance Citation

**Ohio Revised Code Section 5705.41(D)** provides that no subdivision 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 subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D) (1) and 5705.41(D) (3), respectively of the Ohio Revised Code.

- 1. Then and Now Certificate** – If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Village may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid. If the amount involved is less than \$3,000 the fiscal officer may authorize payment through a Then and Now Certificate without affirmation of the Council if such expenditure is otherwise valid.
- 2. Blanket Certificate** – 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 against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not be, limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
- 3. Super Blanket Certificate** – The Village may also make expenditures and contracts for any amount from a specific line item appropriation in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extent beyond the current year. More than one super blanket may be outstanding a particular time for any line item appropriation.

The Village did not properly certify or record the amount against the applicable appropriation accounts for 68% of the tested expenditures during 2004. The Village did not utilize the certification exceptions described above for those expenditures lacking prior certification.

Failure to certify the availability of funds and encumber appropriations could result in overspending or negative cash balances. Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Clerk/Treasurer should certify that the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

**Officials' Response**

We did not receive a response from Officials to this finding.

VILLAGE OF SALINEVILLE  
COLUMBIANA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2004

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2003-001	ORC Section 5705.41(D) Disbursements were not properly certified.	No	Cited again as Finding Number 2004-001





**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF SALINEVILLE**

**COLUMBIANA 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  
MAY 29, 2007**