

***VILLAGE OF GLENFORD
PERRY COUNTY***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2014 & 2013



Dave Yost • Auditor of State

Village Council
Village of Glenford
P.O. Box 22
Glenford, Ohio 43739

We have reviewed the *Report of Independent Accountants* of the Village of Glenford, Perry County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2013 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

October 27, 2015

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**VILLAGE OF GLENFORD
PERRY COUNTY, OHIO
For the Year Ending December 31, 2014 and 2013**

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Glenford, Perry County, (the Village) as of and for the years ended December 31, 2014 and 2013.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D); this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

Although the effects on the financial statements of the variances between the regulatory basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2014 and 2013, or changes in financial position or its cash flows for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Glenford, Perry County, as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permits, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.

July 29, 2015

**VILLAGE OF GLENFORD
PERRY COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
All Governmental Fund Types
For the Year Ended December 31, 2014**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Receipts:			
Property Taxes	\$ 13,358	\$ 1,699	\$ 15,057
Intergovernmental	6,007	8,092	14,099
Miscellaneous	3,142	3,738	6,880
Total Receipts	22,507	13,529	36,036
Disbursements:			
General Government	19,511	9,282	28,793
Security of Persons and Property	2,489	-	2,489
Leisure Time Activities	-	2,520	2,520
Transportation	-	5,659	5,659
Total Disbursements	22,000	17,461	39,461
Excess Receipts Over/(Under) Disbursements	507	(3,932)	(3,425)
Fund Cash Balance, January 1, 2014	10,715	42,192	52,907
Fund Cash Balances			
Restricted	-	38,260	38,260
Assigned	1,058	-	1,058
Unassigned	10,164	-	10,164
Fund Cash Balance, December 31, 2014	<u>\$ 11,222</u>	<u>\$ 38,260</u>	<u>\$ 49,482</u>

See Accompanying Notes to the Financial Statements.

VILLAGE OF GLENFORD
PERRY COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - PROPRIETARY FUND TYPES
For the Year Ended December 31, 2014

	Proprietary Fund Types Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 90,192
Total Operating Cash Receipts	90,192
Operating Cash Disbursements:	
Personal Services	6,494
Contractual Services	70,613
Material and Supplies	25,924
Miscellaneous	535
Total Operating Cash Disbursements	103,566
Excess of Receipts Over/(Under) Disbursements	(13,374)
Non-Operating Receipts/Disbursements:	
Intergovernmental	1,140,942
Capital Outlay	(1,521,509)
Proceeds of Debt	645,315
Redemption of Principal	(268,430)
Interest and Other Fiscal Charges	(9,460)
Total Nonoperating Receipts/(Disbursements)	(13,142)
Excess of Receipts and Nonoperating Receipts Over (Under) Disbursements and Nonoperating Disbursements	(26,516)
Fund Cash Balance, January 1, 2014	89,515
Fund Cash Balance, December 31, 2014	\$ 62,999

See Accompanying Notes to the Financial Statements.

**VILLAGE OF GLENFORD
PERRY COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
All Governmental Fund Types
For the Year Ended December 31, 2013**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Receipts:			
Property Taxes	\$ 10,130	\$ 2,201	\$ 12,331
Intergovernmental	7,207	6,703	13,910
Contributions	-	2,700	2,700
Miscellaneous	6,599	3,248	9,847
Total Receipts	23,936	14,852	38,788
Disbursements:			
General Government	17,571	7,073	24,644
Security of Persons and Property	1,702	-	1,702
Leisure Time Activities	-	2,945	2,945
Transportation	-	20,396	20,396
Total Disbursements	19,273	30,414	49,687
Excess Receipts Over/(Under) Disbursements	4,663	(15,562)	(10,899)
Other Financing Sources			
Refund of Prior Year's Expense	3,600	-	3,600
Total Other Financing Sources	3,600	-	3,600
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements	8,263	(15,562)	(7,299)
Fund Cash Balance, January 1, 2013	2,452	57,754	60,206
Fund Cash Balances			
Restricted	-	42,192	42,192
Assigned	292	-	292
Unassigned	10,423	-	10,423
Fund Cash Balance, December 31, 2013	\$ 10,715	\$ 42,192	\$ 52,907

See Accompanying Notes to the Financial Statements.

VILLAGE OF GLENFORD
PERRY COUNTY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND BALANCES - PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 101,749
Total Operating Cash Receipts	101,749
Operating Cash Disbursements:	
Personal Services	3,518
Contractual Services	53,117
Material and Supplies	6,776
Miscellaneous	6,627
Total Operating Cash Disbursements	70,038
Excess of Receipts Over/(Under) Disbursements	31,711
Non-Operating Receipts/Disbursements:	
Loan Proceeds	18,945
Capital Outlay	(19,945)
Redemption of Principal	(8,427)
Interest and Other Fiscal Charges	(1,427)
Miscellaneous	1,441
Total Nonoperating Receipts/(Disbursements)	(9,413)
Excess of Receipts and Nonoperating Receipts Over (Under) Disbursements and Nonoperating Disbursements	22,298
Fund Cash Balance, January 1, 2013	67,217
Fund Cash Balance, December 31, 2013	\$ 89,515

See Accompanying Notes to the Financial Statements.

VILLAGE OF GLENFORD
PERRY COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

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 Glenford, Perry County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with the Perry County Sheriff's department to provide security of persons and property.

The Village's management believes these financial statements included in this report represent all of the funds of the Village over which the Village has the ability to exercise direct operating control.

B. BASIS OF ACCOUNTING

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. Council 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 include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. CASH

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

D. FUND ACCOUNTING

The Village maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types:

General Fund: The general operating fund of the Village. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

VILLAGE OF GLENFORD
PERRY COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. FUND ACCOUNTING - (Continued)

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

- Street Construction, Maintenance and Repair Fund—Receives gasoline and motor vehicle excise taxes for constructing, maintaining and repairing Village roads.
- State Highway Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing state highways within the Village.

Proprietary Fund Types:

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 water service costs.
- Sewer Improvement Fund – This fund receives grants and loans for constructing a wastewater treatment facility.

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 Village Council must annually approve appropriation measures and subsequent amendments. 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 approve estimated resources.

VILLAGE OF GLENFORD
PERRY COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Budgetary Process – (Continued)

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2014 and 2013 budgetary activity appears in Note 4.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Council can *commit* amounts via formal action (resolution or ordinance). The Village must adhere to these commitments unless the Council amends the resolution or ordinance. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**VILLAGE OF GLENFORD
PERRY COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. FUND BALANCE - (Continued)

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. PROPERTY, PLANT AND EQUIPMENT

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

H. 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 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 at December 31 was as follows:

	<u>2014</u>	<u>2013</u>
Demand Deposits	\$112,481	\$142,422

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

**VILLAGE OF GLENFORD
PERRY COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013**

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

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

4. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2014 and 2013 follows:

<u>Fund:</u>	<u>2014 Budgeted vs Actual Receipts</u>		<u>Variance</u>
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	
General Fund	\$ 24,160	\$ 22,507	\$ (1,653)
Special Revenue Funds	11,550	13,529	1,979
Enterprise	2,007,948	1,876,449	(131,499)

<u>Fund:</u>	<u>2014 Budgeted vs Actual Budgetary Basis Disbursements</u>		<u>Variance</u>
	<u>Appropriation Authority</u>	<u>Budgetary Disbursements</u>	
General Fund	\$ 28,706	\$ 23,058	\$ 5,648
Special Revenue Funds	38,700	17,765	20,935
Enterprise	2,064,606	1,908,879	155,727

<u>Fund:</u>	<u>2013 Budgeted vs Actual Receipts</u>		<u>Variance</u>
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	
General Fund	\$ 22,175	\$ 27,536	\$ 5,361
Special Revenue Funds	11,348	14,852	3,504
Enterprise	111,575	122,135	10,560

<u>Fund:</u>	<u>2013 Budgeted vs Actual Budgetary Basis Disbursements</u>		<u>Variance</u>
	<u>Appropriation Authority</u>	<u>Budgetary Disbursements</u>	
General Fund	\$ 21,933	\$ 19,565	\$ 2,368
Special Revenue Funds	43,277	30,901	12,376
Enterprise	125,636	107,519	18,117

**VILLAGE OF GLENFORD
PERRY COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013**

5. RETIREMENT SYSTEMS

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contributions, for 2014, OPERS members contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2014.

6. RISK MANAGEMENT

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool changed its fiscal year end to March 31, effective in 2011, in order to align its financial reporting and budgeting with the renewal terms of its excess reinsurance policies.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2014, retention levels are \$100,000 and \$175,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained surplus at March 31, 2013 and 2014:

	<u>2013</u>	<u>2014</u>
Assets	\$ 833,561	\$ 1,030,198
Liabilities	<u>(782,525)</u>	<u>(882,203)</u>
Accumulated Surplus	\$ <u>51,036</u>	\$ <u>147,995</u>

**VILLAGE OF GLENFORD
PERRY COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013**

7. DEBT

Debt outstanding at December 31, 2014 is as follows:

<u>Description:</u>	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority (6730)	\$4,672	0.00%
Ohio Public Works Commission Loans (CT867)	32,507	3.00%
Ohio Public Works Commission Loans (CR04Q)	639,086	0.00%
Total	<u>\$676,265</u>	

The prior year debt balance was understated by \$1,557.

The Village has arranged for a loan in the amount of \$239,500 from OWDA (5115). This loan is not yet finalized and the principal outstanding at December 31, 2011 was \$239,245. This loan was rolled into loan 6730 and ultimately forgiven by OWDA. The new loan is approved for \$330,883, bears a 0% interest rate, of which \$4,672 was outstanding at December 31, 2014. This loan is being used for the design of a new waste water system. This loan is collateralized by utility receipts. Amortization for this loan has not been finalized.

The Ohio Public Works Commission (CT867) loan relates to a project through the Ohio Small Government Capital Improvements Commission for a new water storage and distribution system to be connected to the Northern Perry County Water District. The OPWC has approved up to \$150,000 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$4,927, including interest, over 20 years. The Village borrowed \$147,384. The loan is collateralized by utility revenue.

The Ohio Public Works Commission (CR04Q) loan relates to the construction of new sewer and treatment facility. The OPWC has approved a \$900,000 loan to the Village for this project and the loan carries a 0% interest rate. OPWC had disbursed \$639,086 as of December 31, 2014. The loan is collateralized by utility revenue. Amortization for this loan has not been finalized.

Principal and interest requirements for debt outstanding at December 31, 2014 are as follows:

<u>Year Ended</u>	<u>OPWC loan CT867</u>
2015	\$ 9,853
2016	9,853
2017	9,853
2018	4,927
Total	<u>\$ 34,486</u>

**VILLAGE OF GLENFORD
PERRY COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013**

8. CONTINGENT LIABILITIES/SUBSEQUENT EVENTS

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Management believes there are no pending claims or lawsuits.

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

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

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Glenford, Perry County, (the Village) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated July 29, 2015, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permits.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

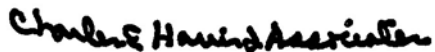
As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Finding

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
July 29, 2015

**VILLAGE OF GLENFORD
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

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

**FINDING NUMBER 2014-001
Material Weakness**

Incorrect Accounting Transactions

During the audit of the Village's financial records for the years ended December 31, 2014 and 2013, we noted several transactions incorrectly recorded, and several receipts and disbursements incorrectly reported in the annual reports. The financial statements have been adjusted to present the accounting information correctly. The Village has agreed with the required reclassifications and adjustments. The more significant erroneous accounting transactions are as follows:

- On-behalf OWDA loan transactions were not recorded.
- On-behalf OPWC disbursements were not recorded.
- Payment for water purchase was recorded as Interest and Other fiscal charges.

We recommend that the Village closely follow the Village Officer's Handbook and the UAN Accounting Manual when recording transactions. The Fiscal Officer should contact the Auditor of State for additional guidance as needed.

Official's Response:

The Fiscal Officer will implement changes as recommended to correctly record all transactions.

VILLAGE OF GLENFORD
PERRY COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014 AND 2013

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2012-001	The Village had disbursements in excess of appropriations.	Yes	Monthly Appropriations and disbursements must be approved by Council and signed off on by each member.
2012-002	The Village had appropriations in excess of estimated resources.	Yes	No longer valid
2012-003	The Village lacked control over payroll.	Yes	Payroll must be approved by Council and signed off on by each member and each check requires two signatures.
2012-004	Village had one check signer.	Yes	Each check requires two signatures
2012-005	Village's manual system did not monitor budget versus actual receipts and disbursements.	Yes	Village utilizes the UAN system.
2012-006	There was no evidence that anyone other than the Fiscal Officer reviewed bank reconciliations.	Yes	All Council members sign completed bank reconciliation.

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Dave Yost • Auditor of State

VILLAGE OF GLENFORD

PERRY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 10, 2015**