



**Auditor of State
Betty Montgomery**

VILLAGE OF MORRISTOWN
BELMONT COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Proprietary Fund Type - For the Year Ended December 31, 2002.....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2001.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Proprietary Fund Type - For the Year Ended December 31, 2001.....	6
Notes to the Financial Statements.....	7
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13
Schedule of Findings.....	15
Schedule of Prior Audit Findings.....	17

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Morristown
Belmont County
P.O. Box 241
Morristown, Ohio 43759

To the Village Council:

We have audited the accompanying financial statements of the Village of Morristown, Belmont County, Ohio (the Village), as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and the reserves for encumbrances of the Village of Morristown, Belmont County, as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2003, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

May 12, 2003

**VILLAGE OF MORRISTOWN
BELMONT COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$4,820	\$7,080	\$11,900
Intergovernmental Receipts	36,201	27,239	63,440
Charges for Services	4,550	43,310	47,860
Earnings on Investments	1,220		1,220
Miscellaneous	1,741	8,380	10,121
	<u>48,532</u>	<u>86,009</u>	<u>134,541</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	12,082	19,666	31,748
Public Health Services	830		830
Transportation	3,062	17,710	20,772
General Government	36,542		36,542
Debt Service:			
Principal Payments		5,000	5,000
Interest Payments		2,320	2,320
	<u>52,516</u>	<u>44,696</u>	<u>97,212</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(3,984)</u>	<u>41,313</u>	<u>37,329</u>
Fund Cash Balances, January 1	<u>31,083</u>	<u>47,956</u>	<u>79,039</u>
Fund Cash Balances, December 31	<u>\$27,099</u>	<u>\$89,269</u>	<u>\$116,368</u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$25</u>	<u>\$25</u>

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

**VILLAGE OF MORRISTOWN
BELMONT COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$72,678
Total Operating Cash Receipts	72,678
Operating Cash Disbursements:	
Personal Services	7,698
Fringe Benefits	887
Contractual Services	49,604
Supplies and Materials	2,717
Total Operating Cash Disbursements	60,906
Operating Income/(Loss)	11,772
Non-Operating Cash Receipts:	
Proceeds from Loan	18,256
Total Non-Operating Cash Receipts	18,256
Non-Operating Cash Disbursements:	
Debt Service	9,500
Total Non-Operating Cash Disbursements	9,500
Net Receipts Over/(Under) Disbursements	20,528
Fund Cash Balances, January 1	4,771
Fund Cash Balances, December 31	\$25,299

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

**VILLAGE OF MORRISTOWN
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$5,105	\$7,416	\$	\$12,521
Intergovernmental Receipts	41,274	31,433	3,533	76,240
Charges for Services	7,412	39,035		46,447
Earnings on Investments	1,849			1,849
Miscellaneous	4,203	2,750		6,953
Total Cash Receipts	<u>59,843</u>	<u>80,634</u>	<u>3,533</u>	<u>144,010</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	12,919	28,121		41,040
Public Health Services	867			867
Transportation	4,121	14,604		18,725
General Government	40,356			40,356
Debt Service:				
Principal Payments		21,291	3,005	24,296
Interest Payments		771	528	1,299
Financing and Other Debt-Service Related		178		178
Total Cash Disbursements	<u>58,263</u>	<u>64,965</u>	<u>3,533</u>	<u>126,761</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>1,580</u>	<u>15,669</u>	<u>0</u>	<u>17,249</u>
Fund Cash Balances, January 1	<u>29,503</u>	<u>32,287</u>		<u>61,790</u>
Fund Cash Balances, December 31	<u>\$31,083</u>	<u>\$47,956</u>	<u>\$0</u>	<u>\$79,039</u>
Reserves for Encumbrances, December 31	<u>\$173</u>	<u>\$2,057</u>	<u>\$0</u>	<u>\$2,230</u>

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

**VILLAGE OF MORRISTOWN
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$49,968
Total Operating Cash Receipts	49,968
Operating Cash Disbursements:	
Personal Services	9,370
Fringe Benefits	1,365
Contractual Services	41,073
Supplies and Materials	1,715
Miscellaneous	183
Total Operating Cash Disbursements	53,706
Operating Income/(Loss)	(3,738)
Non-Operating Cash Receipts:	
Proceeds from Loan	12,693
Total Non-Operating Cash Receipts	12,693
Non-Operating Cash Disbursements:	
Debt Service	9,960
Total Non-Operating Cash Disbursements	9,960
Net Receipts Over/(Under) Disbursements	(1,005)
Fund Cash Balances, January 1	5,776
Fund Cash Balances, December 31	\$4,771

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

**VILLAGE OF MORRISTOWN
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Morristown, Belmont County (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides water utilities, fire services and police services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Cash and Investments

Certificates of deposit are valued at cost.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle license tax money for construction, maintenance and repair of Village streets.

Fire Truck and Equipment Fund - This fund receives proceeds from a voted levy and the proceeds from a fire contract with another subdivision for the operation of the fire department.

**VILLAGE OF MORRISTOWN
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Fire Fund - This fund receives proceeds from a voted levy and the proceeds from a fire contract with another subdivision for the operation of the fire department.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

Issue II Fund - This fund receives grant monies from the Ohio Public Works Commission which are used to finance water system improvements.

4. Enterprise Funds

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

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

Sewer Engineering Fund - This fund receives loan proceeds from the Ohio Water Development Authority to cover the cost of planning and designing facilities relating to this utility.

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 object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

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 MORRISTOWN
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

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 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 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH

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

	2002	2001
Demand deposits	\$130,831	\$70,087
Certificates of deposit	10,836	13,723
Total deposits	\$141,667	\$83,810

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$59,678	\$48,532	(\$11,146)
Special Revenue	73,958	86,009	12,051
Enterprise	76,336	90,934	14,598
Total	\$209,972	\$225,475	\$15,503

**VILLAGE OF MORRISTOWN
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$78,412	\$52,516	\$25,896
Special Revenue	118,412	44,721	73,691
Enterprise	62,590	70,406	(7,816)
Total	<u>\$259,414</u>	<u>\$167,643</u>	<u>\$91,771</u>

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$67,258	\$59,843	(\$7,415)
Special Revenue	76,076	80,634	4,558
Capital Projects	3,533	3,533	0
Enterprise	75,863	62,661	(13,202)
Total	<u>\$222,730</u>	<u>\$206,671</u>	<u>(\$16,059)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$84,761	\$58,436	\$26,325
Special Revenue	116,364	67,022	49,342
Capital Projects	3,533	3,533	0
Enterprise	68,946	63,666	5,280
Total	<u>\$273,604</u>	<u>\$192,657</u>	<u>\$80,947</u>

The Enterprise Sewer Engineering Fund had expenditures in excess of appropriations in 2002 and 2001. The Motor Vehicle License Fund, Special Revenue Fund Type, had expenditures and contract commitments in excess of appropriations in 2002.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

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

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

**VILLAGE OF MORRISTOWN
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

4. PROPERTY TAX (Continued)

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

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan	\$8,740	0%
Commerical Loans	78,885	7%
Ohio Department of Commerce Loan	48,000	0%
Ohio Water Development Authority Loans	56,435	5.54%
Total	<u>\$192,060</u>	

The Ohio Public Works Commission (OPWC) loan relates to a water plant expansion project that was mandated by the Ohio Environmental Protection Agency regulations. The loan will be repaid in semiannual installments of \$460, over a twenty year period. The loan is collateralized by water receipts.

The commercial loan was issued to finance a water improvement project. This loan is collateralized by water receipts.

The Ohio Department of Commerce loan relates to the purchase of a new fire truck. The loan will be repaid in quarterly installments of \$1,000 over a fifteen year period. This loan is collateralized solely by the Village's taxing authority.

The Ohio Water Development Authority (OWDA) loan relates to providing wastewater treatment and/or disposal system for Village residents. The OWDA has approved up to \$40,000 in loans to the Village and the Village has drawn \$25,486 on this amount at December 31, 2002. The loan is collateralized by wastewater rates. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Repayment terms have not been developed, as the project has not been completed, and are not included in the amortization schedule below.

The Ohio Water Development Authority (OWDA) loan relates to the planning and design of a wastewater treatment facility. The OWDA has approved up to \$55,000 in loans to the Village and the Village has drawn \$30,949 on this amount at December 31, 2002. The loan is collateralized by wastewater rates. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Repayment terms have not been developed, as the project has not been completed, and are not included in the amortization schedule below.

**VILLAGE OF MORRISTOWN
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. DEBT (Continued)

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

Year ending December 31:	OPWC Loan	Commercial Loan	Ohio Department of Commerce Loan
2003	\$920	\$11,337	\$3,000
2004	920	11,337	4,000
2005	920	11,337	4,000
2006	920	11,337	4,000
2007	920	11,337	4,000
2008 – 2014	4,140	51,754	29,000
Total	<u>\$8,740</u>	<u>\$108,439</u>	<u>\$48,000</u>

6. RETIREMENT SYSTEMS

The Village's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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



**Auditor of State
Betty Montgomery**

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

Village of Morristown
Belmont County
P.O. Box 241
Morristown, Ohio 43759

To the Village Council:

We have audited the accompanying financial statements of the Village of Morristown, Belmont County, Ohio (the Village), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2002-001 and 2002-002. We also noted certain immaterial instances of noncompliance that we have reported to the management of the Village in a separate letter dated May 12, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Village in a separate letter dated May 12, 2003.

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

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

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

Betty Montgomery
Auditor of State

May 12, 2003

**VILLAGE OF MORRISTOWN
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

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

FINDING NUMBER 2002-001

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D)(1) states 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.

The following exceptions to the basic requirement are provided by statute:

- A) Then and Now Certificate - This exception provides that, if the fiscal officer can certify that both at the time the contract or order was made and at the time that she is completing her certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.
- B) Amounts of less than \$1,000 (which was increased to \$3,000 on April 7, 2003) may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Thirty-four percent of the transactions tested for 2002 and thirty percent of transactions tested for 2001 did not include prior certification of the Clerk/Treasurer nor was there any evidence of a "Then and Now" certificate being used by the Clerk/Treasurer.

We recommend the Village obtain the Clerk/Treasurer's prior certification for all disbursements.

FINDING NUMBER 2002-002

Noncompliance Citation

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

The Enterprise Sewer Engineering Fund had expenditures in excess of appropriations in the amount of \$12,589 for 2001 and \$18,152 for 2002. The Motor Vehicle License Tax Fund, Special Revenue Fund Type, had expenditures in excess of appropriations in the amount of \$1,616 for 2002.

We recommend the Clerk/Treasurer request the Village Council to approve increased expenditures levels by increasing appropriations and estimated resources, if necessary.

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**VILLAGE OF MORRISTOWN
BELMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-31007-001	Ohio Rev. Code Section 5705.41(D)(1) - Expenditures were made without prior certification of the Clerk.	No	Not Corrected; this noncompliance citation is repeated for the years ended December 31, 2002 and 2001. See Finding Number 2002-001 in the Schedule of Findings.
2000-31007-002	Ohio Rev. Code Section 5705.41 (B) - Expenditures exceeded appropriations.	No	Not Corrected; this noncompliance citation is repeated for the years ended December 31, 2002 and 2001. See Finding Number 2002-002 in the Schedule of Findings.
2000-31007-003	Reportable Condition – Revenue and expenditure journals did not properly reflect all estimated resources and appropriations.	No	Partially Corrected; this recommendation is repeated for the years ended December 31, 2002 and 2001 in the letter to management.
2000-31007-004	Reportable Condition – Several receipts and/or disbursements were not posted into the accurate receipt and/or appropriation classifications.	Yes	



**Auditor of State
Betty Montgomery**

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VILLAGE OF MORRISTOWN

BELMONT 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
JUNE 26, 2003**