



**VILLAGE OF MOWRYSTOWN
HIGHLAND COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF MOWRYSTOWN
HIGHLAND COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

Village of Mowrystown
Highland County
P. O. Box 57
Mowrystown, Ohio 45155

To the Village Council:

We have audited the accompanying financial statements of the Village of Mowrystown, Highland County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999. 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 audits.

We conducted our audit in accordance with generally accepted auditing standards 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 audits provide a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Mowrystown, Highland County, Ohio, as of December 31, 2000 and 1999, 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 March 23, 2001, 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 the Audit Committee, management, Village Council and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 23, 2001

**VILLAGE OF MOWRYSTOWN
HIGHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts:				
Property Tax and Other Local Taxes	\$3,592	\$22,158	\$0	\$25,750
Intergovernmental Receipts	45,549	16,666	34,200	96,415
Charges for Services	0	13,000	0	13,000
Miscellaneous	1,247	561	0	1,808
Total Cash Receipts	50,388	52,385	34,200	136,973
Cash Disbursements:				
Current:				
Security of Persons and Property	9,922	22,227	0	32,149
Leisure Time Activities	2,910	0	0	2,910
Basic Utility Services	0	8,167	0	8,167
Transportation	16,099	9,706	0	25,805
General Government	27,995	765	0	28,760
Debt Service:				
Principal Payments	0	6,100	0	6,100
Interest Payments	0	1,685	0	1,685
Capital Outlay	0	436	44,200	44,636
Total Disbursements	56,926	49,086	44,200	150,212
Total Receipts Over/(Under) Disbursements	(6,538)	3,299	(10,000)	(13,239)
Other Financing Receipts/(Disbursements):				
Sale of Assets	0	1,000	0	1,000
Proceeds of Loan	0	0	10,000	10,000
Total Other Financing Receipts/(Disbursements)	0	1,000	10,000	11,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(6,538)	4,299	0	(2,239)
Fund Cash Balances January 1	16,689	23,298	0	39,987
Fund Cash Balances, December 31	\$10,151	\$27,597	\$0	\$37,748
Reserves for Encumbrances, December 31	\$6,500	\$7,800	\$0	\$14,300

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

**VILLAGE OF MOWRYSTOWN
HIGHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Property Tax and Other Local Taxes	\$3,719	\$23,428	\$27,147
Intergovernmental Receipts	43,018	16,590	59,608
Charges for Services	0	11,500	11,500
Miscellaneous	494	4,435	4,929
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	47,231	55,953	103,184
Cash Disbursements:			
Current:			
Security of Persons and Property	11,942	27,973	39,915
Leisure Time Activities	4,079	0	4,079
Basic Utility Services	0	11,140	11,140
Transportation	16,378	17,421	33,799
General Government	17,551	828	18,379
Debt Service:			
Principal Payments	0	5,800	5,800
Interest Payments	0	1,975	1,975
Capital Outlay	0	15,307	15,307
	<hr/>	<hr/>	<hr/>
Total Disbursements	49,950	80,444	130,394
Total Receipts Over/(Under) Disbursements	<hr/> (2,719)	<hr/> (24,491)	<hr/> (27,210)
Fund Cash Balances January 1	<hr/> 19,408	<hr/> 47,789	<hr/> 67,197
Fund Cash Balances, December 31	<hr/> \$16,689	<hr/> \$23,298	<hr/> \$39,987
Reserves for Encumbrances, December 31	<hr/> \$15,000	<hr/> \$0	<hr/> \$15,000

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

**VILLAGE OF MOWRYSTOWN
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Mowrystown, Highland County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, park operations (leisure time activities), police services, and fire protection.

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 Deposits

The Village maintains all funds in a non interest-bearing checking account.

D. Fund Accounting

The Village uses fund accounting to segregate cash that is 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 tax money for constructing, maintaining and repairing Village streets.

Police Levy Fund - This fund receives tax monies to provide police protection for the Village.

**VILLAGE OF MOWRYSTOWN
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Street Light Fund - This fund receives tax monies to pay for special street lighting in the Village.

Fire Levy Fund - This fund receives tax monies and charges for services for providing fire protection to the Village and other governmental entities.

3. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Village had the following significant capital project funds:

Capital Improvement Fund - This fund is being used to account for monies received from the Ohio Water Development Authority to determine feasibility of the Village installing a sewage system.

Community Development Block Grant Fund - This fund was used to account for monies paid by Highland County on the Village's behalf to a contractor for an addition to the Community Building.

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. 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.

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.

**VILLAGE OF MOWRYSTOWN
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A summary of 2000 and 1999 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. The carrying amount of cash at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$37,748	<u>\$39,987</u>

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 40,566	\$ 50,388	\$ 9,822
Special Revenue	50,909	53,385	2,476
Capital Projects	0	44,200	44,200
Total	<u>\$ 91,475</u>	<u>\$ 147,973</u>	<u>\$ 56,498</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 68,995	\$ 63,426	\$ 5,569
Special Revenue	74,114	56,886	17,228
Capital Projects	0	44,200	(44,200)
Total	<u>\$ 143,109</u>	<u>\$ 164,512</u>	<u>\$ (21,403)</u>

**VILLAGE OF MOWRYSTOWN
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 39,440	\$ 47,231	\$ 7,791
Special Revenue	49,794	55,953	6,159
Total	\$ 89,234	\$ 103,184	\$ 13,950

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 70,795	\$ 64,950	\$ 5,845
Special Revenue	106,787	80,444	26,343
Total	\$ 177,582	\$ 145,394	\$ 32,188

Capital Projects Funds expenditures for 2000 exceeded the appropriation authority partly because the Village recorded, for financial reporting purposes only, \$34,200 of expenditures for payments by Highland County directly to a contractor on the Village's behalf. The Village did not formally establish a fund as required by Ohio Rev. Code, Section 5705.09(F), and therefore did not establish the required budgetary authority. Additionally, budgetary expenditures exceeded appropriations by \$10,000 in the Capital Improvement Fund. The Village received \$10,000 in loan proceeds from the Ohio Water Development Authority and expended the money in 2000; however, the Village did not obtain an increased amended certificate and pass supplemental appropriations for the expenditure of the funds, as required by Ohio Rev. Code, Sections 5705.36 and 5705.41(B), respectively.

Contrary to Ohio Rev. Code, Section 5705.39, appropriations exceeded estimated resources in the General and Police Levy Funds at December 31, 2000 and in the General, Fire Levy, Police Levy, and Street Light Funds at December 31, 1999.

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 payment, 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.

**VILLAGE OF MOWRYSTOWN
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. PROPERTY TAX (Continued)

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

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 10,000	0%
General Obligation Bonds (FHA)	27,600	5%
Total	\$ 37,600	

The Ohio Water Development Authority (OWDA) loan relates to a feasibility study for a new wastewater treatment system. The OWDA has approved a \$25,000 loan to the Village for this project. As of December 31, 2000, the Village has borrowed \$10,000. The loan will be repaid in annual installments of \$2,500 over 10 years, beginning in 2003. The scheduled payment amount below assumes that the full \$25,000 will be borrowed. The scheduled payment will be adjusted to reflect any revisions in amounts actually borrowed. The loan is collateralized solely by the Village's general revenues.

The General Obligation Bonds (FHA) relates to fire truck bonds issued in 1997 for the purchase of a fire truck. The bonds are being repaid from the Fire Levy Fund in annual installments over a period of seven years.

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

Year ending December 31:	OWDA Loan	General Obligation Bonds
2001	\$ 0	\$ 7,780
2002	0	7,760
2003	2,500	7,825
2004	2,500	7,770
2005	2,500	0
Subsequent	17,500	0
Total	\$ 25,000	\$ 31,135

**VILLAGE OF MOWRYSTOWN
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

6. RETIREMENT SYSTEM

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

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

8. CONTINGENT LIABILITIES

The Village is party to a lawsuit. Although the outcome of the suit is not presently determinable, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

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

9. COMPLIANCE

In addition to the budgetary noncompliance issues discussed in Note 3, the Village did not comply with material compliance requirements, as follows:

The Village did not properly certify that funds were appropriated and available for expenditure for some of the Village's disbursements, as required by Ohio Rev. Code, Section 5705.41(D).

The Village did not appropriately maintain their cash journals, appropriations and receipt ledgers, as required by Ohio Admin. Code, Sections 117-5-09, 117-5-10, and 117-5-11.



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OFFICE OF THE AUDITOR**

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

Village of Mowrystown
Highland County
P. O. Box 57
Mowrystown, Ohio 45155

To the Village Council:

We have audited the financial statements of the Village of Mowrystown, Highland County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 23, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 2000-30436-001, 2000-30436-002, 2000-30436-003, 2000-30436-004, and 2000-30436-005. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated March 23, 2001.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2000-30436-004 and 2000-30436-005.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over

financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated March 23, 2001.

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

Jim Petro
Auditor of State

March 23, 2001

**VILLAGE OF MOWRYSTOWN
HIGHLAND COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

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

FINDING NUMBER 2000-30436-001

Noncompliance Citation

Ohio Rev. Code, Section 5705.39, states that the total appropriation from each fund should not exceed the total estimated revenue. Contrary to this section, the Village had total appropriations in excess of estimated resources in the following funds:

<u>Date</u>	<u>Fund</u>	<u>Total Appropriations</u>	<u>Total Estimated Resources</u>	<u>Variance</u>
December 31, 2000	General	\$53,995	\$42,518	(\$11,477)
	Police Levy	\$13,277	\$13,248	(\$29)
December 31, 1999	General	\$55,795	\$41,858	(\$13,937)
	Fire Levy	\$36,581	\$32,401	(\$4,180)
	Police Levy	\$15,215	\$14,235	(\$980)
	Street Light	\$20,000	\$19,234	(\$766)

FINDING NUMBER 2000-30436-002

Noncompliance Citation

Ohio Rev. Code, Section 5705.09(F), requires the Village to establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. Upon establishing a fund, estimated receipts should be certified to the County Auditor as available for expenditure, and anticipated expenditures should be included in the Village's appropriations. Highland County made \$34,200 of payments of Community Development Block Grant monies to a contractor on behalf of the Village. The Village did not formally establish the required fund to account for these monies. Guidance on the accounting treatment for these types of transactions is set forth in Auditor of State Bulletin 2000-08.

FINDING NUMBER 2000-30436-003

Noncompliance Citation

Ohio Rev. Code, Section 5705.36, provides that an increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend excess revenue. Ohio Rev. Code, Section 5705.41(B), provides that no subdivision or taxing unit is to expend money unless it has been appropriated. The Village received and expended \$10,000 of loan proceeds from the Ohio Water Development Authority in 2000 in the Capital Improvement Fund. The Village did not obtain an increased amended certificate and did not adopt an appropriation measure for the expenditure of this money, contrary to these sections.

FINDING NUMBER 2000-30436-004

Noncompliance Citation - Reportable Condition

Ohio Rev. Code, Section 5705.41 (D), provides that a subdivision or taxing unit shall not make any contract or order involving the disbursement 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. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment.

This Section also provides two “exceptions” to the above requirements:

1. Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that the fiscal officer is completing the certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous 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.
2. Amounts of less than \$1,000 for villages, 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.

Our tests indicated that 10% of disbursements had obligations entered into prior to the certification occurring and no “then and now” certificate was issued, contrary to this requirement. Additionally, there were unencumbered purchase commitments at December 31, 2000 and 1999.

This procedure is not only required by Ohio law, but it is also a key control in the disbursement process. Without proper certification of funds, disbursements could be made without adequate current resources being available or disbursements could be made in excess of authorized appropriations. We recommend that prior certifications be provided for all disbursements. In instances when prior certifications are not practical, “then and now” certifications should be made.

FINDING NUMBER 2000-30436-005

Noncompliance Citation - Reportable Condition

Ohio Admin. Code, Sections 117-5-09, 117-5-10, and 117-5-11, outline the procedures the Clerk-Treasurer is to follow in completing and maintaining the Village cash journals, appropriations and receipts ledgers. The Village appropriations ledger did not always contain the following: total appropriations, all expenditures, debit entries, and declining unencumbered balances. The Village receipts ledger did not always contain the following: total estimated receipts, all monies received, credit postings, and declining anticipated balances. We recommend the Clerk-Treasurer post the items mentioned above to the appropriate journals as required.

During 2000 and 1999, the Village maintained an appropriations ledger, a receipts ledger, and a cash journal. However, not all disbursements and receipts recorded in the cash journal were properly posted to the appropriations and receipts ledgers. These weaknesses make it difficult for Village management to monitor budget vs. actual activity for receipts and expenditures. Financial transactions should be posted as they occur in a timely and accurate manner to all appropriate journals and ledgers. Appropriations and receipts ledgers should be subtotaled and reconciled monthly to the cash journal and the monthly bank statement.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF MOWRYSTOWN

HIGHLAND 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 3, 2001**