



Mary Taylor, CPA
Auditor of State

**Village of Belmore
Putnam County**

Termination of Fiscal Watch

Local Government Services

Village of Belmore, Putnam County

Termination of Fiscal Watch

Table of Contents

Table of Contents 1

Termination of Fiscal Watch 2

Introduction..... 3

General and Special Funds Accounts Payable 3

Deficit Fund Balances..... 4

Treasury Deficiency 4

Forecasted General Fund Deficit 5

Summary 6



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Termination of Fiscal Watch

Pursuant to a request from the Mayor of the Village of Belmore to remove the Village from fiscal watch, the Auditor of State has conducted a review of the financial condition of the Village as of December 31, 2009. This review has determined that the Village of Belmore no longer meets the fiscal watch conditions set forth in Section 118.022 of the Ohio Revised Code. Accordingly, the Village of Belmore's status of fiscal watch is hereby terminated as of April 15, 2010.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted and filed with Frank Kelley, Mayor of the Village of Belmore, and the Putnam County Budget Commission.

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 15, 2010

Village of Belmore, Putnam County

Termination of Fiscal Watch

Introduction

Section 118.022 of the Ohio Revised Code describes four conditions which give reason for placing a Village in fiscal watch. These conditions are: 1) significant accounts that have been due and payable for more than thirty days; 2) substantial deficit fund balances; 3) positive fund balances which exceed the balance in money and marketable securities held by the Village; and 4) a forecasted deficit in the Village's general fund for the current year.

On December 21, 2007, the Village of Belmore was declared to be in fiscal watch because a review of the Village's financial condition indicated that the Village had a substantial deficit fund balance and treasury deficiency as of December 31, 2006.

On December 17, 2009, the Mayor of the Village of Belmore requested that the Auditor of State perform a review of the Village's financial condition as of December 31, 2009, to determine if the Village's improved financial condition justifies release from fiscal watch. In order to be removed from fiscal watch, all conditions placing the Village in fiscal watch must be eliminated.

This report provides a detailed description of each condition, the specific procedures performed to determine if any of the conditions still existed as of December 31, 2009, and the corresponding results of our analysis.

General and Special Funds Accounts Payable

Section 118.022(A)(1) of the Ohio Revised Code defines a fiscal watch condition as the existence of either of the following situations:

- (a) All accounts that were due and payable from the general fund of a municipal corporation, county, or township at the end of the preceding fiscal year that had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty was added for failure to pay by the end of the fiscal year, less the year end balance in the general fund, exceeded one-twelfth of the general fund budget for that year.
- (b) All accounts that were due and payable at the end of the preceding fiscal year from all funds of a municipal corporation, county, or township and that had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty was added for failure to pay by the end of the fiscal year, less the year end balance in the general fund and in the respective special funds available to pay those accounts, exceeded one-twelfth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts are payable.

A schedule was prepared of all accounts payable as of December 31, 2009, that were due and payable from the general fund and from all funds, and that had been due and payable for at least thirty days or to which a penalty had been added for failure to pay as of December 31, 2009, including, but not limited to, final judgments, fringe benefit payments due and payable, and amounts due and payable to persons and other governmental entities, including any interest and penalties. There were no accounts payable due from the general fund or any special funds which were at least thirty days past due at the end of the year.

Village of Belmore, Putnam County

Termination of Fiscal Watch

Conclusion: A fiscal watch condition does not exist under Section 118.022(A)(1)(a) or Section 118.022(A)(1)(b) of the Ohio Revised Code as of December 31, 2009. There were no accounts payable due from the general fund or any special funds which were at least thirty days past due at the end of the year.

Deficit Fund Balances

Section 118.022(A)(2) of the Ohio Revised Code defines a fiscal watch condition as:

The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of the preceding fiscal year, less the total of any year end balance in the general fund and in any special fund that may be transferred as provided in Section 5705.14 of the Ohio Revised Code to meet such deficit, exceeded one-twelfth of the total of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund.

We examined the Village's cash summary report by fund for any deficit funds. The Village had no deficit fund balances as of December 31, 2009.

Conclusion: A fiscal watch condition does not exist under Section 118.022(A)(2) of the Ohio Revised Code as of December 31, 2009. All funds had positive balances at year end.

Treasury Deficiency

Section 118.022(A)(3) of the Ohio Revised Code defines a fiscal watch condition as:

The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of a municipal corporation, county, or township, minus outstanding checks and warrants, were less in amount than the aggregate of the positive balances of the general fund and those special funds, the purposes of which the unsegregated treasury is held to meet, and such deficiency exceeded one-twelfth of the total amount received into the unsegregated treasury during the preceding fiscal year.

We calculated the unsegregated treasury balance of the Village as of December 31, 2009. From the treasury balance, we subtracted the aggregate sum of all positive fund balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficiency.

Village of Belmore, Putnam County

Termination of Fiscal Watch

Schedule I

Treasury Balance
Ohio Revised Code Section 118.022(A)(3)
As of December 31, 2009

	<u>Amounts at December 31, 2009</u>
Treasury Balance:	
Union Bank	\$81,884
Less:	
Unrecorded Interest	(1,617)
Other Adjustment	(88)
Outstanding Checks	(152)
Total Adjusted Treasury Balance	<u>80,027</u>
Less Positive Fund Balances:	
General	32,454
Street Construction	36,546
State Highway	7,987
Permissive Motor Vehicle	181
Street Lighting	410
Fire Department	2,449
Total Positive Fund Balances	<u>80,027</u>
Treasury Balance Less Positive Fund Balances	<u><u>\$0</u></u>

Conclusion: Schedule I indicates that a fiscal watch condition does not exist under Section 118.022(A)(3) of the Ohio Revised Code as of December 31, 2009. The treasury balance equaled the positive fund cash balances.

Forecasted General Fund Deficit

Section 118.022(A)(4) of the Ohio Revised Code defines a fiscal watch condition as:

The existence of a condition in which, based on an examination of the financial forecast approved by the legislative authority of a municipal corporation, county, or township, the Auditor of State certifies that the general fund deficit at the end of the current fiscal year will exceed one-twelfth of the general fund revenue from the preceding fiscal year.

We compared the estimated resources to appropriations for 2010. The Village's estimated resources are sufficient to support the appropriations for the current year. We also compared estimated receipts and appropriations for 2010 to actual receipts and cash disbursements and encumbrances for 2009. The estimated receipts and appropriations appear reasonable in comparison to actual receipts and expenditures of the prior year. Therefore, the examination of a financial forecast for the year ending December 31, 2010, was considered unnecessary.

Village of Belmore, Putnam County

Termination of Fiscal Watch

Summary

This analysis indicates that the fiscal watch conditions that existed at December 31, 2006, have been corrected. The improvement in the Village of Belmore's financial condition justifies the Village's release from fiscal watch.

Because the above procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we prepared an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported.



Mary Taylor, CPA
Auditor of State

VILLAGE OF BELMORE

PUTNAM 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
APRIL 15, 2010**