



**Auditor of State
Betty Montgomery**

VILLAGE OF PORT WASHINGTON
TUSCARAWAS COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Port Washington
Tuscarawas County
P.O. Box 277
107 East Main Street
Port Washington, Ohio 43837

To the Village Council:

We have audited the accompanying financial statements of the Village of Port Washington, Tuscarawas 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 of the Village 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.

As discussed in Note 5, the Village changed its method of accounting for income tax activity and corrected errors in previously reported fund balances. As a result, the Village restated beginning balances in 2001, for the General Fund and Capital Projects Fund, and eliminated the Expendable Trust fund type.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2004 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, 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

March 31, 2004

**VILLAGE OF PORT WASHINGTON
TUSCARAWAS 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>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax	\$17,164	\$3,629		\$20,793
Income Tax	26,987		\$17,991	44,978
Intergovernmental Receipts	16,586	24,643	22,261	63,490
Fines, Licenses, and Permits	7,087			7,087
Earnings on Investments	575	190		765
Miscellaneous	978	177		1,155
Total Cash Receipts	<u>69,377</u>	<u>28,639</u>	<u>40,252</u>	<u>138,268</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	19,407			19,407
Public Health Services	2,460	4,968		7,428
Community Environment	9,279			9,279
Basic Utility Services	6,733			6,733
Transportation		11,668		11,668
General Government	43,161		1,149	44,310
Capital Outlay			28,861	28,861
Total Cash Disbursements	<u>81,040</u>	<u>16,636</u>	<u>30,010</u>	<u>127,686</u>
Excess of Cash Receipts Over/(Under) Cash Disbursemer	(11,663)	12,003	10,242	10,582
Fund Cash Balances, January 1	<u>37,622</u>	<u>38,528</u>	<u>68,760</u>	<u>144,910</u>
Fund Cash Balances, December 31	<u>\$25,959</u>	<u>\$50,531</u>	<u>\$79,002</u>	<u>\$155,492</u>

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

**VILLAGE OF PORT WASHINGTON
TUSCARAWAS 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax	\$16,509	\$3,528		\$20,037
Income Tax	27,943		\$18,628	46,571
Intergovernmental Receipts	22,911	24,884	2,880	50,675
Fines, Licenses, and Permits	6,542			6,542
Earnings on Investments	1,276	394		1,670
Miscellaneous	2,437	85		2,522
	<u>77,618</u>	<u>28,891</u>	<u>21,508</u>	<u>128,017</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	15,230			15,230
Public Health Services	711	2,305		3,016
Community Environment	13,285			13,285
Basic Utility Services	6,092			6,092
Transportation		9,565		9,565
General Government	49,528			49,528
Capital Outlay			10,448	10,448
	<u>84,846</u>	<u>11,870</u>	<u>10,448</u>	<u>107,164</u>
Total Cash Disbursements				
Excess of Cash Receipts Over/(Under) Cash Disbursements	(7,228)	17,021	11,060	20,853
Fund Cash Balances, January 1 (restated, Note 5)	44,850	21,507	57,700	124,057
Fund Cash Balances, December 31	<u><u>\$37,622</u></u>	<u><u>\$38,528</u></u>	<u><u>\$68,760</u></u>	<u><u>\$144,910</u></u>

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

**VILLAGE OF PORT WASHINGTON
TUSCARAWAS 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 Port Washington, Tuscarawas 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 government services, including park operations, and police services. The Village contracts with Delaware Valley Fire District to provide fire protection services and Tri-County Ambulance District to provide emergency medical services.

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

B. Basis of Accounting

These financial statements follow the 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

The Village maintains cash deposits in a 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, including income tax revenue, 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 Fund:

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

**VILLAGE OF PORT WASHINGTON
TUSCARAWAS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Fund

This fund is 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:

Construction Fund - This fund receives proceeds from income tax revenue to finance various road construction projects in the Village.

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 level, 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.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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. The Village did not use the encumbrance method of accounting.

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.

**VILLAGE OF PORT WASHINGTON
TUSCARAWAS COUNTY**

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

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	\$155,492	\$144,910

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Village.

3. BUDGETARY ACTIVITY

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

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$109,774	\$69,377	(\$40,397)
Special Revenue	25,400	28,639	3,239
Capital Projects	16,000	40,252	24,252
Total	\$151,174	\$138,268	(\$12,906)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$97,312	\$81,040	\$16,272
Special Revenue	38,800	16,636	22,164
Capital Projects	23,700	30,010	(6,310)
Total	\$159,812	\$127,686	\$32,126

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$95,485	\$77,618	(\$17,867)
Special Revenue	26,800	28,891	2,091
Capital Projects	28,000	21,508	(6,492)
Total	\$150,285	\$128,017	(\$22,268)

**VILLAGE OF PORT WASHINGTON
TUSCARAWAS COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$98,162	\$84,846	\$13,316
Special Revenue	38,800	11,870	26,930
Capital Projects	28,100	10,448	17,652
Total	\$165,062	\$107,164	\$57,898

Contrary to Ohio law, expenditures for 2002 and 2001 were not always certified by the Fiscal Officer prior to incurring the obligation. In addition, appropriations exceeded estimated resources in the General Fund, in 2001, and the Special Revenue Permissive Tax Fund in 2002 and 2001.

4. NONCOMPLIANCE

During 2002, the Fiscal Officer did not initially record an Ohio Public Works Commission (OPWC) grant for work on Village roads in the Capital Projects Fund. In addition, the Village did not file an annual report with the Auditor of State or advertise a public notice in a local newspaper for fiscal year 2002 and 2001.

5. FUND BALANCE RESTATEMENT

General Fund and Capital Projects Fund balances have been restated from amounts previously reported to record income tax revenue directly to the respective fund as established by the Village's Income Tax Ordinance. In prior years an Expendable Trust Income Tax Fund was reported separately account for income tax collections. This change is being made to better reflect the income tax activity in accordance with the basis of accounting described in Note 1. As a result of the restatement, the General Fund balance and the Capital Project Fund balance beginning January 1, 2001, increased \$43,564 and \$29,043, respectively, and the Expendable Trust fund type was eliminated. In addition, adjustments for prior period errors in reporting fund balances were made and balances were restated to reflect actual Village cashbook balances. The impact on prior year excess of receipts over disbursements is not determinable.

	General Fund	Special Revenue Funds	Capital Projects Fund	Income Tax Fund
Fund Balance, As previously reported	\$14,173	\$19,709	\$23,977	\$70,080
Correction of Error	(12,887)	1,798	4,680	2,527
Restated Beginning Balance	1,286	21,507	28,657	72,607
Income Tax Adjustment	43,564	0	29,043	(72,607)
Restated Fund Balance, January 1, 2001	\$44,850	\$21,507	\$57,700	\$0

**VILLAGE OF PORT WASHINGTON
TUSCARAWAS COUNTY**

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

6. 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.

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.

7. LOCAL INCOME TAX

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

8. RETIREMENT SYSTEM

Substantially all Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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. OPERS 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.

9. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

**VILLAGE OF PORT WASHINGTON
TUSCARAWAS COUNTY**

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

10. SUBSEQUENT EVENTS

The Village was party to a lawsuit which was settled in November 2003. The full amount of the settlement was covered by insurance less the Village's \$1,000 deductible.



**Auditor of State
Betty Montgomery**

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

Village of Port Washington
Tuscarawas County
P.O. Box 277
107 East Main Street
Port Washington, Ohio 43837

To the Village Council:

We have audited the accompanying financial statements of the Village of Port Washington, Tuscarawas County, Ohio, (the Village) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 31, 2004 wherein we noted the Village changed its method of accounting for income tax activity and corrected prior errors in reported fund balances. 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 through 2002-004.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 31, 2004.

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 2002-005 and 2002-006.

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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 are material weaknesses.

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 31, 2004.

This report is intended solely for the information and use of management and 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

March 31, 2004

**VILLAGE OF PORT WASHINGTON
TUSCARAWAS COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2002-001

Noncompliance Citation

Ohio Rev. Code Section 117.38 requires that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. The public office must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer. Pursuant to Ohio Rev. Code Section 117.38, the Village may be fined as subject to various other administrative remedies for its failure to timely file the required financial report.

Ohio Rev. Code Section 117.38 states that the report shall contain the following:

- (A) Amount of collections and receipts, and accounts due from each source;
- (B) Amount of expenditures for each purpose;
- (C) Income of each public service industry owned or operated by a municipal corporation, and the cost of such ownership or operation;
- (D) Amount of public debt of each taxing district, the purpose for which each item of such debt was created, and the provision made for the payment thereof. The substance of the report shall be published at the expense of the state in an annual volume of statistics, which shall be submitted to the governor. The auditor of state shall transmit the report to the general assembly at its next session.

The Village did not file an annual report with the Auditor of State nor did the Village publish the notice of availability of the required financial reports for fiscal years 2001 and 2002. An annual report for 2002 was presented for auditing purposes; however, the receipts and expenditures were not classified as prescribed by the Ohio Rev. Code Section 117.38.

The Village should file its annual report with the Auditor of State within 60 days of fiscal year end. Additionally, the financial report should contain the information prescribed by this section. The Village should also publish notice in a local newspaper stating the financial report is available for public inspection at the Village Hall.

FINDING NUMBER 2002-002

Ohio Rev. Code Section 5705.41(D), requires that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same 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 of any amount due thereon.

FINDING NUMBER 2002-002 (Continued)

This section also provides two "exceptions" to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was both at the time that the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
- A. If the amount involved is less than \$1,000 (\$3,000 effective April 7, 2003), the fiscal officer may authorize payment through a Then and Now Certificate without the affirmation of Village Council if such expenditure is otherwise lawful.

During 2002 and 2001, the Fiscal Officer did not certify any expenditure prior to incurring the obligation. It was also found that neither of the two exceptions noted above were utilized for the items to be found in noncompliance. To avoid overspending, the Village should certify the availability of funds prior to incurring the obligation for expenditures.

FINDING NUMBER 2002-003

Ohio Rev. Code Section 5705.39 requires that total appropriations from each fund not exceed total estimated fund resources from each fund as certified by the county budget commission. This section also provides that no appropriation measure shall become effective until the Village obtains the County Auditor's certificate that total appropriations from each fund do not exceed the total official estimate or amended official estimate when amending estimated resources.

During 2001 and 2002, total appropriations exceeded total estimated resources at year end as follows:

<u>2001 Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
General Fund	\$96,771	\$98,162	\$(1,391)
Special Revenue Permissive Tax Fund	5,566	10,000	(4,434)
<u>2002 Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
Special Revenue Permissive Tax Fund	\$6,228	\$10,000	\$(3,772)

Village Council should monitor appropriations versus estimated resources to help avoid overspending.

FINDING NUMBER 2002-004

Ohio Rev. Code Section 5705.42 states, in part, when the state or any department, division, agency authority or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity or function of such subdivision, or enters into an agreement with the subdivision for the making of any such grant or loan of money, the amount thereof is deemed appropriated and shall be recorded by the subdivision.

FINDING NUMBER 2002-004 (Continued)

During 2002, the Fiscal Officer did not initially record an Ohio Public Works Commission (OPWC) grant for work on Village roads in the Capital Projects Fund. As a result, receipts and expenditures were initially understated by \$22,261.

The Village should record as memorandum receipts and disbursements the value of on behalf of grants, received under an agreement with a local government or the State, whereby the Village is a beneficiary under the agreement. The amounts should be recorded in the year the on-behalf-of disbursements are made by the other party to the agreement. For further guidance, refer to Auditor of State Bulletins 2000-008 and 2002-004. The OPWC grant activity was subsequently included as revenues and expenditures on the Village's financial statements.

FINDING NUMBER 2002-005

Review of Monthly Reports and Evidence of Review

There was no evidence of Council's review and acceptance of the following reports:

- the Fiscal Officer's monthly bank reconciliation and monthly fund balance summary
- the monthly Mayor's Court Report
- the monthly Income Tax Reports

To improve monitoring controls over the Village's financial activity Council should document receipt and review of these reports within the minutes. Also, a designated Council member should sign (or initial) and date these reports as evidence of review.

FINDING NUMBER 2002-006

Receipts and Appropriation Ledgers

The following weaknesses were noted in the Village's recording of receipts and disbursements and budgetary information:

- Certified estimated receipts were not posted to the Village's receipt ledgers and appropriations were not posted to the Village's appropriations ledger.
- Receipts and disbursements recorded in the cash journal were not always carried forward to the receipt and appropriation ledger.
- The Fiscal Officer did not always post tax receipts at gross amounts and memo expenditures for the auditor and treasurer fees.
- Budget to Actual statements were not prepared and reviewed by Council.

This lack of proper recording, could lead to inaccurate reporting of revenues and disbursements. In addition, the comparison of budget to actual activity is crucial to management's ability to monitor the progress of expected revenue collections, and availability of monies to spend.

FINDING NUMBER 2002-006 (Continued)

In order to enable management to effectively monitor revenue collections and expenditure authority and assist the Village with budget management decisions, the Fiscal Officer should:

- record certified estimated receipts and appropriations to Village ledgers
- record all receipts and disbursements to the appropriate ledgers from the cash journal
- provide Council with Budget vs. Actual receipt and disbursement reports on a month to month basis
- record tax receipts at gross rather than net, and record related fees as expenses.

**VILLAGE OF PORT WASHINGTON
TUSCARAWAS COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
00-1	ORC 117.38, the Village did not file an annual report with the Auditor of State	No	Not corrected. Repeated as Finding 2002-001.
00-2	OAC 117-5-11, appropriations were not recorded in the appropriation ledger	No	Not corrected; included in finding number 2002-006.
00-3	ORC 5705.41B, expenditures exceeded appropriations.	Yes	Elimination of the Income Tax Fund and reporting income tax revenue directly into General Fund (60%) and Capital Projects Fund (40%) corrected this matter.
00-4	ORC 5705.41 D, the Fiscal Officer did not certify all expenditures prior to obligation.	No	Not corrected. Repeated as Finding 2002-002.

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**Auditor of State
Betty Montgomery**

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VILLAGE OF PORT WASHINGTON

TUSCARAWAS 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 4, 2004**