



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**

**Village of Montezuma**  
**Mercer County**

**Termination of Fiscal Watch**



Village of Montezuma, Mercer County  
Termination of Fiscal Watch

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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### **TERMINATION OF FISCAL WATCH**

Pursuant to a request from the Mayor of the Village of Montezuma to remove the Village from fiscal watch, the Auditor of State has determined that the Village of Montezuma no longer meets the fiscal watch conditions as set forth in Section 118.022 of the Ohio Revised Code. Accordingly, the Village of Montezuma's status of fiscal watch is hereby terminated as of April 10, 2002.

On behalf of the Auditor of State, this report is hereby submitted and filed with Charlotte Garman, Mayor of the Village of Montezuma; Bob Taft, Governor; J. Kenneth Blackwell, Secretary of State; Joseph T. Deters, Treasurer of State; Thomas W. Johnson, Director of the Office of Budget and Management; and Mark Giesige, Secretary of the Mercer County Budget Commission.

JIM PETRO  
Auditor of State

April 10, 2002

# Village of Montezuma, Mercer County

## Termination of Fiscal Watch

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### Introduction

As requested by the Mayor of the Village of Montezuma, the Auditor of State performed a fiscal watch review to determine if the financial condition of the Village justifies the release from fiscal watch.

This report sets forth a fiscal analysis as of December 31, 2001. The guidelines for performing the analysis are set forth in Section 118.022 of the Ohio Revised Code. The specific procedures performed for each of the conditions and the corresponding results are presented below.

### 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 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 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 such 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.

We prepared a schedule of accounts payable as of December 31, 2001, that were due and payable from the general fund, 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, 2001. From this amount, we subtracted the year end fund balance available in the general fund to pay such accounts payable. Since the general fund balance available exceeded the accounts payable, we did not have to determine if the accounts payable in excess of the available fund balance exceeded one-twelfth of the general fund budget for 2001.

### Schedule I

General Fund Accounts Payable Over 30 Days Past Due  
Ohio Revised Code Section 118.022(A)(1)(a)  
As of December 31, 2002

	Payables Over 30 Days Past Due	General Fund Balance Available	Payables in Excess of Available Balance
General	\$0	\$15,364	\$0

# Village of Montezuma, Mercer County

## Termination of Fiscal Watch

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We prepared a second schedule of accounts payable as of December 31, 2001, that were due and payable from all funds for at least thirty days or to which a penalty was added as of December 31, 2001. From this amount we subtracted the year end fund balance in the general fund and the respective special funds available to pay such outstanding bills. Since the general fund balance and balances of the special revenue funds exceeded the accounts payable, we did not have to determine if the accounts payable in excess of the available fund balances exceeded one-twelfth of the available revenues during 2001.

### Schedule II

Accounts Payable from All Funds Over 30 Days Past Due  
Ohio Revised Code Section 118.022 (A)(1)(b)  
As of December 31, 2001

	Payables Over 30 Days Past Due	Fund Balance Available	Payables in Excess of Available Balance
General	\$0	\$15,364	\$0
Street Construction and Repair	0	5,783	0
State Highway	0	239	0
Permissive Motor Vehicle	0	1,796	0
Park Project	0	9,672	0
Total			

Conclusion: Schedules I and II indicate that a fiscal watch condition does not exist under Sections 118.022(A)(1)(a) or 118.022(A)(1)(b) as of December 31, 2001.

### 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 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.

## Village of Montezuma, Mercer County

### Termination of Fiscal Watch

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We computed the adjusted aggregate sum of all deficit funds as of December 31, 2001, by subtracting all accounts payable and encumbrances from the year end cash fund balance of each fund. Since no deficit fund balances existed, no further analysis was performed.

#### Schedule III

Deficit Fund Balances  
Ohio Revised Code Section 118.022 (A)(2)  
As of December 31, 2001

	Cash Fund Balance	Accounts Payable and Encumbrances	Fund Balance (Deficit)
General	\$15,364	\$0	\$0
Street Construction and Repair	5,783	0	0
State Highway	239	0	0
Permissive Motor Vehicle	1,796	0	0
Park Project	9,672	0	0
Total	<u>\$32,854</u>	<u>\$0</u>	<u>\$0</u>

Conclusion: Schedule III indicates that a fiscal watch condition does not exist under Section 118.022(A)(2) of the Ohio Revised Code as of December 31, 2001. All funds had positive balances at year end.

#### Treasury Balances

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, 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.

# Village of Montezuma, Mercer County

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We verified the Village's reconciled bank balances to its cash book balance as of December 31, 2001, which included subtracting outstanding checks and making the necessary adjustments to arrive at the treasury balance. From the treasury balance, we subtracted the aggregate sum of the positive fund balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficit. Since the treasury balance equaled the aggregate of all positive fund cash balances, we did not have to determine if the deficiency exceeded one-twelfth of the amount received into the unsegregated treasury.

### Schedule IV

Treasury Balances  
Revised Code Section 118.022 (A)(3)  
As of December 31, 2001

	<u>December 31, 2001</u>
Bank Cash Balances	\$34,250
Adjustments:	
Outstanding Checks	(1,396)
Total Treasury Balance	<u>32,854</u>
Less Positive Fund Balances	
General	15,365
Street Construction and Repair	5,783
State Highway	239
Permissive Motor Vehicle	1,796
Park Project	9,671
Total Positive Cash Fund Balances	<u>32,854</u>
Treasury Deficiency	<u><u>0</u></u>

Conclusion: Schedule IV indicates that a fiscal watch condition does not exist under Section 118.022(A)(3) of the Ohio Revised Code as of December 31, 2001. The treasury balance less the positive fund cash balances was \$0; therefore, no calculations were needed.

### Summary

A fiscal watch is the existence of at least one of the above defined conditions. This analysis indicates that a fiscal watch does not exist at the Village of Montezuma as defined in Sections 118.022 of the Ohio Revised Code.

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 made 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 to you.





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**VILLAGE OF MONTEZUMA**

**MERCER 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 10, 2002**