



**Auditor of State
Betty Montgomery**

VILLAGE OF FAIRVIEW
GUERNSEY COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Fairview
Guernsey County
P.O. Box 74
Fairview, Ohio 43736

To Village Council:

We have audited the accompanying financial statements of the Village of Fairview, Guernsey 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 of Fairview, Guernsey 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 October 6, 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.

Village of Fairview
Guernsey County
Independent Accountants' Report
Page 2

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

October 6, 2003

**VILLAGE OF FAIRVIEW
GUERNSEY 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$2,576	\$288	\$2,864
Intergovernmental Receipts	3,801	1,749	5,550
Charges for Services		2,750	2,750
Earnings on Investments	51		51
Miscellaneous	3,600	120	3,720
	<u>10,028</u>	<u>4,907</u>	<u>14,935</u>
Total Cash Receipts			
	<u>10,028</u>	<u>4,907</u>	<u>14,935</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	2,035		2,035
Public Health Services	7	1,390	1,397
Basic Utility Services	282		282
Transportation		1,345	1,345
General Government	8,469		8,469
	<u>10,793</u>	<u>2,735</u>	<u>13,528</u>
Total Cash Disbursements			
	<u>10,793</u>	<u>2,735</u>	<u>13,528</u>
Total Cash Receipts Over/(Under)Cash Disbursements	<u>(765)</u>	<u>2,172</u>	<u>1,407</u>
Fund Cash Balances, January 1	<u>6,873</u>	<u>4,556</u>	<u>11,429</u>
Fund Cash Balances, December 31	<u>\$6,108</u>	<u>\$6,728</u>	<u>\$12,836</u>

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

VILLAGE OF FAIRVIEW
GUERNSEY COUNTY

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

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
Non-Operating Cash Receipts:	
Earnings on Investments	\$321
Total Non-Operating Cash Receipts	321
Fund Cash Balances, January 1	14,739
Fund Cash Balances, December 31	<u>\$15,060</u>

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

**VILLAGE OF FAIRVIEW
GUERNSEY 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>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$2,398	\$271	\$2,669
Intergovernmental Receipts	4,051	2,637	6,688
Charges for Services		1,225	1,225
Earnings on Investments	74		74
Miscellaneous	6,269	1,480	7,749
	<u>12,792</u>	<u>5,613</u>	<u>18,405</u>
Total Cash Receipts			
	<u>12,792</u>	<u>5,613</u>	<u>18,405</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	2,692		2,692
Public Health Services	7	3,451	3,458
Basic Utility Services	223		223
Transportation		2,814	2,814
General Government	9,274		9,274
	<u>12,196</u>	<u>6,265</u>	<u>18,461</u>
Total Cash Disbursements			
	<u>12,196</u>	<u>6,265</u>	<u>18,461</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>596</u>	<u>(652)</u>	<u>(56)</u>
Fund Cash Balances, January 1	<u>6,277</u>	<u>5,208</u>	<u>11,485</u>
Fund Cash Balances, December 31	<u>\$6,873</u>	<u>\$4,556</u>	<u>\$11,429</u>

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

VILLAGE OF FAIRVIEW
GUERNSEY COUNTY

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

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
Non-Operating Cash Receipts:	
Earnings on Investments	\$462
Total Non-Operating Cash Receipts	462
Fund Cash Balances, January 1	14,277
Fund Cash Balances, December 31	<u><u>\$14,739</u></u>

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

**VILLAGE OF FAIRVIEW
GUERNSEY 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 Fairview, Guernsey 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 street maintenance, cemetery maintenance and fire protection 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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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 Fund

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.

Cemetery Fund -This fund receives donations, sale of lots, and charges for services to fund maintenance of the cemetery.

**VILLAGE OF FAIRVIEW
GUERNSEY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Village had the following significant fiduciary fund:

Cemetery Trust Fund – A nonexpendable trust used for the maintenance of the cemetery.

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. Appropriations lapse at year end.

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. Encumbrances outstanding at year end would be carried over and would not need to be re-appropriated; however, 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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

**VILLAGE OF FAIRVIEW
GUERNSEY COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	2002	2001
Demand deposits	\$15,953	\$14,225
Certificates of deposit	11,943	11,943
Total deposits	\$27,896	\$26,168

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

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	\$6,180	\$10,028	\$3,848
Special Revenue	3,941	4,907	966
Fiduciary	0	321	321
Total	\$10,121	\$15,256	\$5,135

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$11,109	\$10,793	\$316
Special Revenue	8,513	2,735	5,778
Fiduciary	0	0	0
Total	\$19,622	\$13,528	\$6,094

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$6,248	\$12,792	\$6,544
Special Revenue	1,444	5,613	4,169
Fiduciary	0	462	462
Total	\$7,692	\$18,867	\$11,175

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$10,521	\$12,196	(\$1,675)
Special Revenue	5,639	6,265	(626)
Fiduciary	0	0	0
Total	\$16,160	\$18,461	(\$2,301)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund by \$1,675 and in the Cemetery Fund by \$2,249, for the year ended December 31, 2001.

**VILLAGE OF FAIRVIEW
GUERNSEY COUNTY**

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

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.

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. SOCIAL SECURITY BENEFIT PROGRAM

The elected officials of the Village are members of the Social Security plan. The Village has paid all contributions required through December 31, 2002.

6. RISK MANAGEMENT

The Village is a member of Ohio Municipal Joint Self-Insurance Pool which is a risk pool discussed at Note 7. The following risks are covered by the Pool:

- Property;
- Bonding;
- General Liability;
- Errors and Omissions;
- Automobile;
- Surplus; and
- Inland Marine.

7. RISK POOL MEMBERSHIP

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Pool provides a program of property and casualty insurance for its members. The Plan pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

Casualty excess-of-loss contracts at December 31, 2002 and 2001 generally protect against individual losses exceeding \$150,000 for policies issued prior to April 1, 2000; \$100,000 for policies issued between April 1, 2000 and March 31, 2002; and \$125,000 for policies issued April 1, 2002 or later.

Property coverage contracts protect against losses, subject to a deductible of \$50,000, limited to an annual aggregate loss of the greater of \$300,000 or 1% of total coverage.

VILLAGE OF FAIRVIEW
GUERNSEY COUNTY

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

7. RISK POOL MEMBERSHIP (Continued)

The Pool cedes reinsurance to reinsurers or excess reinsurers. The Pool is contingently liable should any reinsurer become unable to meet its obligations under the reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained deficit at December 31, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Assets	\$1,852,060	\$3,354,251
Liabilities	<u>(3,627,321)</u>	<u>(4,851,866)</u>
Retained deficit	<u>(\$1,775,261)</u>	<u>(\$1,497,615)</u>

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**Auditor of State
Betty Montgomery**

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

Village of Fairview
Guernsey County
P.O. Box 74
Fairview, Ohio 43736

To Village Council:

We have audited the financial statements of the Village of Fairview, Guernsey County, Ohio (the Village) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated October 6, 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 through 2002-004. We have also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated October 6, 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. 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 2002-002 and 2002-003.

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 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 October 6, 2003.

This report is intended solely 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

October 6, 2003

**VILLAGE OF FAIRVIEW
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001
(Continued)**

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 § 5705.41(B) states that no subdivision or taxing authority may expend money unless it has been appropriated.

Expenditures exceed appropriations at December 31, 2001 in the General Fund and the Cemetery Fund by \$1,675 and \$2,249, respectively. During 2002, expenditures exceeded appropriations at the legal level of control both at year end and throughout the year in the General Fund, although total fund expenditures did not exceed total appropriations.

We recommend the Village closely monitor expenditures to ensure they do not exceed appropriations. Council should adopt appropriation modifications prior to spending in excess of appropriations.

The Clerk should not certify the availability of funds and should deny payment requests exceeding appropriations. The Clerk may request Council to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

FINDING NUMBER 2002-002

Noncompliance Citation and Material Weakness

Ohio Admin. Code § 117-2-02(A) requires all public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code. The Village's accounting system and accounting records did not enable the Village to document compliance with finance-related legal requirements, including various sections of Ohio Revised Code Chapter 5705 as follows:

- A. Although appropriations were posted to an appropriation ledger, the Village did not encumber funds and record expenditures in the appropriations ledger. As a result, there was no method established whereby the fiscal officer could determine if unencumbered appropriations were available for expenditure. Village management could not monitor the types of expenditures being made and the year-to-date expenditures made for any particular expenditure function.

We recommend the Village utilize the encumbrance method of accounting via issuing purchase orders and posting encumbrances and subsequent disbursements to the appropriations ledger. This procedure would enable the accounting system to document compliance with finance-related legal requirements. Comparisons of budgeted (appropriated) expenditures to actual expenditures should then be presented to management as a tool to manage the Village. Guidance for maintaining the appropriations ledger is now included in Ohio Admin. Code Section 117-2-02(D)(3), which became effective July 1, 2000.

**VILLAGE OF FAIRVIEW
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2002-002(Continued)

Noncompliance Citation and Material Weakness - Ohio Admin. Code § 117-2-02(A) (Continued)

- B. Estimated receipts were not posted to the receipts ledger. As a result, there was no method established whereby Village management could compare budgeted receipts to actual receipts and file amended certificates of estimated resources when needed.

We recommend budgeted and actual receipts be posted to the receipts ledger as recommended in Ohio Admin. Code Section 117-2-02(D)(2) (effective July 1, 2000), to provide useful monthly budget vs. actual comparisons to assist management in monitoring Village operations. This would enable the Clerk-Treasurer to document compliance with finance-related legal requirements concerning the filing of estimated resources and any amendments thereto.

FINDING NUMBER 2002-003

Noncompliance Citation and Material Weakness

Ohio Rev. Code § 5705.41(D) states that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision (Village Clerk-Treasurer) 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. This certificate need be signed only by the fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

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, both at the time the contract or order was made and at the time he is completing his certification, a sufficient sum was appropriated and free of any previous encumbrances, the taxing authority (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, if such expenditure is other wise valid.
- B. If the amount involved is less than one thousand dollars (which was increased to \$3,000 on April 7, 2003), the fiscal officer may authorize it to be paid without the affirmation of the taxing authority, upon completion of the then and now certificate, provided the expenditure is otherwise lawful.

The Village did not use purchase orders to certify the availability of funds. Although the Clerk-Treasurer certified to the Village Council at each regular meeting that funds were available to pay the bills as presented, neither prior certification nor then and now certification was obtained from the Clerk-Treasurer for Village expenditures.

We recommend Village personnel obtain proper certification from the Clerk-Treasurer prior to incurring any obligations on behalf of the Village and utilize the encumbrance method of accounting as suggested in finding number 2002-002 above.

**VILLAGE OF FAIRVIEW
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001
(Continued)**

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

FINDING NUMBER 2002-004

Noncompliance Citation

Ohio Rev. Code Section 5705.36 allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenues to be collected will be greater or less than the amount in the official certificate of estimated resources. An increased amended certificate of estimated resources must be obtained from the budget commission if the legislative authority intends to appropriate and expend revenue in excess of the original amendment of estimated resources.

The Village received and spent revenue in excess of that certified in the General Fund and Cemetery Fund in 2001 but did not obtain an increased amended certificate of estimated resources.

We recommend the Clerk-Treasurer obtain an increased amended certificate of estimated resources and Village Council adopt additional appropriations when Council intends to expend revenue in excess of that previously estimated.

**VILLAGE OF FAIRVIEW
GUERNSEY 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>
2000-31030-001	Expenditures exceeded appropriations in the General Fund, Cemetery Fund, and Street Construction, Maintenance and Repair Fund.	No	This citation was repeated in the current audit as finding number 2002-001.
2000-31030-002	The Village did not certify funds.	No	This citation was repeated in the current audit as finding number 2002-003.



**Auditor of State
Betty Montgomery**

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VILLAGE OF FAIRVIEW

GUERNSEY 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
NOVEMBER 13, 2003**