



**VILLAGE OF STOCKPORT
MORGAN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF STOCKPORT
MORGAN COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Stockport
Morgan County
1965 Main Street
P.O. Box 158
Stockport, Ohio 43787

To the Village Council:

We have audited the accompanying financial statements of the Village of Stockport, Morgan 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 audit.

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 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 Stockport, Morgan County, 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 June 10, 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 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.

Jim Petro
Auditor of State

June 10, 2001

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**VILLAGE OF STOCKPORT
MORGAN 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**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 11,645	\$ 7,527	\$ 19,172
Intergovernmental Receipts	17,817	56,468	74,285
Fines, Licenses, and Permits		4,100	4,100
Earnings on Investments	5,561	653	6,214
Miscellaneous	3,374	2,771	6,145
 Total Cash Receipts	 38,397	 71,519	 109,916
Cash Disbursements:			
Current:			
Security of Persons and Property	4,646	5,986	10,632
Public Health Services	2,205	5,948	8,153
Leisure Time Activities	321	2,564	2,885
Community Environment		6,470	6,470
Basic Utility Services	360	7,126	7,486
Transportation	2,084	7,883	9,967
General Government	19,532		19,532
Capital Outlay		26,400	26,400
 Total Cash Disbursements	 29,148	 62,377	 91,525
 Total Cash Receipts Over/(Under) Cash Disbursements	 9,249	 9,142	 18,391
Other Financing Receipts/(Disbursements):			
Transfers-In		54	54
 Total Other Financing Receipts/(Disbursements)	 0	 54	 54
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 9,249	 9,196	 18,445
 Fund Cash Balances, January 1	 4,929	 17,302	 22,231
 Fund Cash Balances, December 31	 \$ 14,178	 \$ 26,498	 \$ 40,676

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

**VILLAGE OF STOCKPORT
MORGAN 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**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 11,645	\$ 7,527	\$ 19,172
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General Government	19,532		19,532
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Transfers-In		54	54
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 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 9,249	 9,196	 18,445
 Fund Cash Balances, January 1	 4,929	 17,302	 22,231
 Fund Cash Balances, December 31	 \$ 14,178	 \$ 26,498	 \$ 40,676

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

**VILLAGE OF STOCKPORT
MORGAN 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>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 12,705	\$ 8,103	\$ 20,808
Intergovernmental Receipts	18,736	14,480	33,216
Fines, Licenses, and Permits		6,620	6,620
Earnings on Investments	4,865	450	5,315
Miscellaneous	783	3,125	3,908
	37,089	32,778	69,867
Cash Disbursements:			
Current:			
Security of Persons and Property	4,627	6,311	10,938
Public Health Services	1,400	9,003	10,403
Leisure Time Activities	262	2,963	3,225
Basic Utility Services	360		360
Supplies and Materials			0
Transportation	145	12,445	12,590
General Government	31,517		31,517
	38,311	30,722	69,033
Total Cash Disbursements	38,311	30,722	69,033
Total Cash Receipts Over/(Under) Cash Disbursements	(1,222)	2,056	834
Other Financing Receipts/(Disbursements):			
Transfers-Out		(1,000)	(1,000)
Total Other Financing Receipts/(Disbursements)	0	(1,000)	(1,000)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,222)	1,056	(166)
Fund Cash Balances, January 1	6,151	16,246	22,397
Fund Cash Balances, December 31	\$ 4,929	\$ 17,302	\$ 22,231

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

**VILLAGE OF STOCKPORT
MORGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Cash Receipts:			
Charges for Services	\$ 132,771	\$	\$ 132,771
Miscellaneous	0	33	33
Total Operating Cash Receipts	<u>132,771</u>	<u>33</u>	<u>132,804</u>
Operating Cash Disbursements:			
Personal Services	35,952		35,952
Employee Fringe Benefits	7,182		7,182
Contractual Services	20,866		20,866
Supplies and Materials	33,527		33,527
Capital Outlay	21,975		21,975
Miscellaneous	1,021		1,021
Total Operating Cash Disbursements	<u>120,523</u>	<u>0</u>	<u>120,523</u>
Operating Income/(Loss)	<u>12,248</u>	<u>33</u>	<u>12,281</u>
Non-Operating Cash Receipts/(Cash Disbursements):			
Proceeds from Notes and Bonds	42,000		42,000
Debt Service	(11,994)	0	(11,994)
Total Non-Operating Cash Receipts/(Disbursements)	<u>30,006</u>	<u>0</u>	<u>30,006</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers	42,254	33	42,287
Transfers-In	0	1,000	1,000
Net Cash Receipts Over/(Under) Cash Disbursements	42,254	1,033	43,287
Fund Cash Balances, January 1	<u>77,024</u>	<u>0</u>	<u>77,024</u>
Fund Cash Balances, December 31	<u>\$ 119,278</u>	<u>\$ 1,033</u>	<u>\$ 120,311</u>

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

**VILLAGE OF STOCKPORT
MORGAN 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 Stockport, Morgan 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, and an elected Mayor and Clerk. The Village provides general governmental services, including maintenance of streets and cemeteries, water and sewer utility services, street light 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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Village Clerk invests all available funds of the Village in an interest-bearing checking account.

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 Funds

These funds are used to account for proceeds from specific sources (other than from trusts) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

**VILLAGE OF STOCKPORT
MORGAN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle license tax money to construct, maintain and repair Village streets.

Cemetery Fund - This fund receives money from the sale of cemetery lots and the opening and closing of graves.

Fire Levy Fund - This fund receives property taxes to provide fire protection to Village residents.

CIC Fund - This fund receives monies from the Morgan County Improvement Corporation for community improvement.

3. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

4. Fiduciary Fund (Trust Fund)

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. The Village had the following fiduciary fund:

A. L. Smith Trust Fund - This nonexpendable trust fund accounts for money received for the perpetual care of the cemetery. Only the interest earned on the trust can be used for the costs of maintaining the cemetery.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**VILLAGE OF STOCKPORT
MORGAN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function 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 are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

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.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

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:

	<u>2000</u>	<u>1999</u>
Demand Deposits	\$ 132,406	\$ 142,542

Deposits: Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

**VILLAGE OF STOCKPORT
MORGAN COUNTY**

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

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	\$ 48,923	\$ 38,397	\$ (10,526)
Special Revenue	97,412	71,573	(25,839)
Enterprise	178,181	129,970	(48,211)
Nonexpendable Trust	43	51	8
Total	<u>\$ 324,559</u>	<u>\$ 239,991</u>	<u>\$ (84,568)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 52,506	\$ 29,148	\$ 23,358
Special Revenue	109,543	62,377	47,166
Enterprise	297,459	158,548	138,911
Nonexpendable Trust	75	54	21
Total	<u>\$ 459,583</u>	<u>\$ 250,127</u>	<u>\$ 209,456</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 48,981	\$ 37,089	\$ (11,892)
Special Revenue	28,543	32,778	4,235
Enterprise	183,500	174,771	(8,729)
Nonexpendable Trust	0	1,033	1,033
Total	<u>\$ 261,024</u>	<u>\$ 245,671</u>	<u>\$ (15,353)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 55,133	\$ 38,311	\$ 16,822
Special Revenue	44,789	31,722	13,067
Enterprise	210,524	132,517	78,007
Nonexpendable Trust	0	0	0
Total	<u>\$ 310,446</u>	<u>\$ 202,550</u>	<u>\$ 107,896</u>

**VILLAGE OF STOCKPORT
MORGAN COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

Appropriations exceeded budgeted revenue and actual receipts plus January 1 unencumbered cash in several funds at December 31, 2000 and 1999, contrary to Ohio law..

4. DEBT

Debt outstanding at December 31, 2000, was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 66,264	6.25%
Water Meter Loan	29,680	5.75%
Total	\$ 95,944	

The Ohio Water Development Authority (OWDA) loans were used for utility system improvements and will be repaid from utility system revenues.

The Village entered into a loan agreement in 1999 for the purchase and installation of new water meters. Although the original loan amount was for \$50,000, as of December 31, 2000, only \$42,000 of this loan has been drawn down by the Village. The loan will be paid off with quarterly payments of \$2,895 over 5 years and will be repaid from utility system revenues. The equipment purchased collateralized the loan.

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

Year ending	OWDA Loan	Water Meter Loan
2001	\$ 9,099	\$ 11,579
2002	9,099	11,579
2003	9,099	11,579
2004	9,099	1,136
2005	9,099	0
Subsequent	54,594	0
Total	\$ 100,089	\$ 35,873

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.

**VILLAGE OF STOCKPORT
MORGAN COUNTY**

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

4. PROPERTY TAX (Continued)

Public utilities are also taxed on personal and real property located within the Village.

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. RETIREMENT SYSTEMS

The employees of the Village, as well as the elected officials, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer defined-benefit pension plan. This plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The Village has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Village has obtained commercial insurance coverage for the following risks:

- Comprehensive property, general liability and inland marine
- Vehicles, including fire vehicles, liability, comprehensive and collision
- Public officials' and law enforcement liability
- Wrongful acts and dishonesty bond

7. SUBSEQUENT EVENTS

During 2001, the Village began the planning phase for three improvement projects. The first project is to refurbish and paint the water tank. The total cost of project is estimated to be \$34,830. The Village's share of the project will be \$5,130 with the remainder of the cost being paid by a \$29,700 Community Development Block Grant. The second project is a water line replacement from the water tank to the wells. The total cost of this project is estimated to be \$179,300. The Village's share of the project will be \$35,860 with the remainder of the cost being paid with an Appalachian Regional Commission Grant. The third project is the Water/Wastewater Treatment Plant Electrical and Control Improvements. The total cost of the project is estimated to be \$138,100. The Village's share of the project is \$29,000 with the remainder of the cost being paid by Issue II monies.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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

Village of Stockport
Morgan County
1965 Main Street
P.O. Box 158
Stockport, Ohio 43787

To the Village Council:

We have audited the accompanying financial statements of the Village of Stockport, Morgan County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 10, 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 2000-31058-001 and 2000-31058-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 10, 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we 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 June 10, 2001.

Village of Stockport
Morgan County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended 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.

Jim Petro
Auditor of State

June 10, 2001

**VILLAGE OF STOCKPORT
MORGAN 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 2000-31058-001

Noncompliance Citation

Ohio Rev. Code Section 5705.36 allows all subdivisions to request reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be less than the amount in the official certificate of estimated resources. The Village must request a reduced amended certificate when actual receipts plus January 1 unencumbered cash will be less than amounts appropriated.

Budgeted revenue exceeded actual revenue and appropriations were greater than actual revenue at December 31, 2000, as follows:

<u>Fund</u>	<u>Budgeted Revenue</u>	<u>Actual Revenue Plus Unencumbered Cash</u>	<u>Appropriation Authority</u>
General	\$ 48,923	\$ 43,364	\$ 52,506
Cemetery	\$ 10,573	\$ 8,012	\$ 14,432
OPWC	\$ 39,446	\$ 26,400	\$ 39,446
Fire Levy	\$ 5,730	\$ 5,986	\$ 7,357
Water	\$ 77,735	\$ 133,288	\$ 144,485
Sewer	\$ 100,446	\$ 115,961	\$ 152,974

Budgeted revenue exceeded actual revenue and appropriations were greater than actual revenue at December 31, 1999, as follows:

<u>Fund</u>	<u>Budgeted Revenue</u>	<u>Actual Revenue Plus Unencumbered Cash</u>	<u>Appropriation Authority</u>
General	\$ 48,981	\$ 43,240	\$ 55,133
Fire Levy	\$ 7,143	\$ 6,311	\$ 7,143
Sewer	\$ 68,500	\$ 120,763	\$ 124,361

We recommend the Village monitor estimated and actual revenues for all funds on a regular basis. In the situation where budgeted revenue exceeds actual revenue and appropriations exceed actual revenue, a reduced amended certificate must be obtained and appropriations adjusted accordingly.

**VILLAGE OF STOCKPORT
MORGAN COUNTY**
**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2000-31058-002

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D) states that no subdivision or taxing authority shall make any contract or order an 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 purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. 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. This section provides two "exceptions" to the above requirement:

- 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 appropriated and free from any previous encumbrances, the 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 otherwise valid.

- B. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Village Council.

Forty-one percent of disbursements tested for 1999 and twenty-two percent for 2000, greater than \$1,000, were not properly certified by the Village Clerk and were not encumbered until the time of payment. These commitments were not subsequently approved by the Village Council by resolution within the 30 day time period with a "then and now" certificate.

We recommend the Village continue to obtain the Village Clerk's certification prior to incurring an obligation of funds.

VILLAGE OF STOCKPORT
MORGAN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000 AND 1999

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-31058-001	A material noncompliance citation was issued under Ohio Rev. Code Section 5705.41 (B) for expenditures exceeding appropriations in the several funds.	Yes	N/A



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370
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VILLAGE OF STOCKPORT

MORGAN 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
AUGUST 7, 2001**