



**Auditor of State
Betty Montgomery**

VILLAGE OF MORROW
WARREN COUNTY

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**Auditor of State
Betty Montgomery**

Village of Morrow
Warren County
150 Pike Street
Morrow, Ohio 45152

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

December 11, 2006

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Village of Morrow
Warren County
150 Pike Street
Morrow, Ohio 45152

To the Village Council:

We have audited the accompanying financial statements of Village of Morrow, Warren County, Ohio (the Village), as of and for the years ended December 31, 2005 and 2004. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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.

The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds the accompanying financial statements present for 2005 and 2004 the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since this Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2005 and 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2005 and 2004, or its changes in financial position or cash flows of its proprietary funds for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Village of Morrow, Warren County, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the year ended December 31, 2005 and 2004. The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2006, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

December 11, 2006

**VILLAGE OF MORROW
WARREN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Property Tax and Other Local Taxes	\$25,481	\$0	\$25,481
Municipal Income Tax	228,940	0	228,940
Intergovernmental Receipts	50,650	67,612	118,262
Charges for Services	92,890	2,533	95,423
Fines, Licenses, and Permits	26,604	1,398	28,002
Earnings on Investments	7,959	891	8,850
Miscellaneous	9,257	12,115	21,372
Total Cash Receipts	441,781	84,549	526,330
Cash Disbursements:			
Current:			
Security of Persons and Property	177,679	0	177,679
Public Health Services	50	0	50
Leisure Time Activities	0	404	404
Community Environment	2,572	0	2,572
Basic Utility Services	109,881	0	109,881
Transportation	0	71,543	71,543
Other	6,027	0	6,027
General Government	251,809	4,855	256,664
Debt Service:			
Principal Payments	0	5,000	5,000
Interest Payments	0	2,393	2,393
Total Cash Disbursements	548,018	84,195	632,213
Total Receipts Over/(Under) Disbursements	(106,237)	354	(105,883)
Other Financing Receipts and (Disbursements):			
Transfers-In	0	7,000	7,000
Transfers-Out	(11,900)	0	(11,900)
Total Other Financing Receipts/(Disbursements)	(11,900)	7,000	(4,900)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(118,137)	7,354	(110,783)
Fund Cash Balances, January 1	217,923	103,324	321,247
Fund Cash Balances, December 31	\$99,786	\$110,678	\$210,464
Reserves for Encumbrances, December 31	\$4,825	\$1,255	\$6,080

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

**VILLAGE OF MORROW
WARREN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency		
Operating Cash Receipts:					
Charges for Services	\$303,727	\$0	\$0		\$303,727
Miscellaneous	1,161				1,161
Total Operating Cash Receipts	<u>304,888</u>	<u>0</u>	<u>0</u>		<u>304,888</u>
Operating Cash Disbursements:					
Personal Services	79,898				79,898
Fringe Benefits	17,941				17,941
Contractual Services	6,770				6,770
Supplies and Materials	47,104				47,104
Capital Outlay	111,439				111,439
Total Operating Cash Disbursements	<u>263,152</u>	<u>0</u>	<u>0</u>		<u>263,152</u>
Operating Income/(Loss)	<u>41,736</u>	<u>0</u>	<u>0</u>		<u>41,736</u>
Non-Operating Cash Receipts:					
Intergovernmental Receipts	33,334				33,334
Earnings on Investments		1,562			1,562
Other Non-Operating Receipts			31,588		31,588
Total Non-Operating Cash Receipts	<u>33,334</u>	<u>1,562</u>	<u>31,588</u>		<u>66,484</u>
Non-Operating Cash Disbursements:					
Redemption of Principal	27,820				27,820
Interest & Other Fiscal Charges	11,682	0			11,682
Other Non-Operating Cash Disbursements		615	30,778		31,393
Total Non-Operating Cash Disbursements	<u>39,502</u>	<u>615</u>	<u>30,778</u>		<u>70,895</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	35,568	947	810		37,325
Transfers-In	4,900				4,900
Net Receipts Over/(Under) Disbursements	40,468	947	810		42,225
Fund Cash Balances, January 1	160,960	102,018	541		263,519
Fund Cash Balances, December 31	<u>\$201,428</u>	<u>\$102,965</u>	<u>\$1,351</u>		<u>\$305,744</u>
Reserve for Encumbrances, December 31	<u>\$1,785</u>	<u>\$0</u>	<u>\$0</u>		<u>\$1,785</u>

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

**VILLAGE OF MORROW
WARREN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$25,853	\$0	\$0	\$25,853
Municipal Income Tax	230,990	0	0	230,990
Special Assessments	5,133	0	0	5,133
Intergovernmental Receipts	41,867	77,920	0	119,787
Charges for Services	99,458	3,915	0	103,373
Fines, Licenses, and Permits	25,961	1,326	0	27,287
Earnings on Investments	8,941	1,743	0	10,684
Miscellaneous	8,452	10,562	0	19,014
	<u>446,655</u>	<u>95,466</u>	<u>0</u>	<u>542,121</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	159,321	0		159,321
Public Health Services	142	0		142
Leisure Time Activities	300	525		825
Community Environment	3,731	9,269		13,000
Basic Utility Services	95,986	0		95,986
Transportation	232	60,183		60,415
Other	2,551	0	784	3,335
General Government	190,123	879		191,002
Capital Outlay	0	19,690		19,690
	<u>452,386</u>	<u>90,546</u>	<u>784</u>	<u>543,716</u>
Total Receipts Over/(Under) Disbursements	<u>(5,731)</u>	<u>4,920</u>	<u>(784)</u>	<u>(1,595)</u>
Other Financing Receipts and (Disbursements):				
Transfers-In	0	10,000		10,000
Transfers-Out	(26,200)	0	0	(26,200)
	<u>(26,200)</u>	<u>10,000</u>	<u>0</u>	<u>(16,200)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(31,931)	14,920	(784)	(17,795)
Fund Cash Balances, January 1	<u>249,854</u>	<u>88,404</u>	<u>784</u>	<u>339,042</u>
Fund Cash Balances, December 31	<u>\$217,923</u>	<u>\$103,324</u>	<u>\$0</u>	<u>\$321,247</u>
Reserves for Encumbrances, December 31	<u>\$1,637</u>	<u>\$236</u>	<u>\$0</u>	<u>\$1,873</u>

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

**VILLAGE OF MORROW
WARREN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency		
Operating Cash Receipts:					
Charges for Services	\$283,936	\$0	\$0		\$283,936
Total Operating Cash Receipts	283,936	0	0		283,936
Operating Cash Disbursements:					
Personal Services	67,508	0			67,508
Fringe Benefits	19,698	0			19,698
Contractual Services	30,317	0			30,317
Supplies and Materials	49,978	0			49,978
Capital Outlay	416,866	0			416,866
Other	9,473	0			9,473
Total Operating Cash Disbursements	593,840	0	0		593,840
Operating Income/(Loss)	(309,904)	0	0		(309,904)
Non-Operating Cash Receipts:					
Intergovernmental Receipts	210,012	0			210,012
Earnings on Investments	0	3,693			3,693
Other Non-Operating Receipts	28,782	0	29,425		58,207
Total Non-Operating Cash Receipts	238,794	3,693	29,425		271,912
Non-Operating Cash Disbursements:					
Redemption of Principal	90,030	0			90,030
Interest & Other Fiscal Charges	11,359	0			11,359
Other Non-Operating Cash Disbursements	26,903	3,646	30,012		60,561
Total Non-Operating Cash Disbursements	128,292	3,646	30,012		161,950
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(199,402)	47	(587)		(199,942)
Transfers-In	16,200	0			16,200
Net Receipts Over/(Under) Disbursements	(183,202)	47	(587)		(183,742)
Fund Cash Balances, January 1	344,162	101,971	1,128		447,261
Fund Cash Balances, December 31	\$160,960	\$102,018	\$541		\$263,519
Reserve for Encumbrances, December 31	\$43	\$0	\$0		\$43

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

**VILLAGE OF MORROW
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Morrow, Warren County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides water and sewer utilities, park operations, street maintenance, and police. The Village contracts with Salem Township to receive 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 accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 adequately disclose material matters the Auditor of State prescribes.

C. Cash and Investments

The Village's accounting basis includes investments as assets. This basis does not report disbursements for investment purchases or receipts for investment sales. The Village reports gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values certificates of deposit at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual fund reports.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds 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:

**VILLAGE OF MORROW
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Enterprise Funds

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

Water 1 Fund - This fund receives charges for services from residents to cover water service costs.

Water 2 Improvement Fund - This fund receives loan proceeds from the General Obligation Waterworks System Refunding and Improvement Bonds to improve the Village water system.

Water System Debt Service Fund - This fund is used to accumulate resources for the payment of the General Obligation Waterworks System Refunding and Improvement Bonds to improve the Village water system.

4. Fiduciary Funds (Trust and Agency Funds)

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

Scheurer Trust Fund – This fund receives holds the principal of a nonexpendable trust fund. The interest is posted to the General Fund for street lighting, the fire fund, and the Scheurer Poor Relief Fund to aid the needy in accordance with the trust agreement.

Mayor's Court Fund – This fund receives the fines from traffic violations and distributes those fines appropriately to the State and Village.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

VILLAGE OF MORROW
WARREN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 carried over, and need not be reappropriated. The Village did not encumber all commitments required by Ohio law.

A summary of 2005 and 2004 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2005	2004
Demand deposits	\$261,686	\$332,336
Certificates of deposit	185,197	185,197
Total deposits	446,883	517,533
STAR Ohio	69,325	67,233
Total deposits and investments	\$516,208	\$584,766

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF MORROW
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$441,781	\$441,781
Special Revenue	0	91,549	91,549
Enterprise	0	343,122	343,122
Fiduciary	0	1,562	1,562
Total	\$0	\$878,014	\$878,014

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$644,237	\$564,743	\$79,494
Special Revenue	134,636	85,450	49,186
Enterprise	430,833	304,439	126,394
Fiduciary	19,500	615	18,885
Total	\$1,229,206	\$955,247	\$273,959

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$436,287	\$446,655	\$10,368
Special Revenue	57,250	105,466	48,216
Enterprise	259,030	538,930	279,900
Fiduciary	3,752	3,693	(59)
Total	\$756,319	\$1,094,744	\$338,425

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$617,250	\$480,223	\$137,027
Special Revenue	140,747	90,782	49,965
Enterprise	513,312	722,175	(208,863)
Fiduciary	19,960	3,646	16,314
Total	\$1,291,269	\$1,296,826	(\$5,557)

**VILLAGE OF MORROW
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Woodlands of Morrow Fund by \$9,269, the Water Debt Service Fund by \$58,883, and the Water Fund by \$149,979 for the year ended December 31, 2004.

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Fire and Life Fund by \$2,355 for the year ended December 31, 2005. Contrary to Ohio law, the Village did not adopt Estimated Resources for 2005. Also contrary to Ohio law in 2005 and 2004, the Village amended appropriations without the approval of Village Council.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopts tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The State pays the Village amounts equaling these deductions. The Village includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment is due December 31. The second half payment is due the following June 20.

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

Property owners assess tangible personal property tax. They must file a list of tangible 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 the Village's behalf.

5. 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.

6. DEBT

Debt outstanding at December 31, 2005 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission	\$31,020	0.00%
Various Purpose Refunding and Improvement General Obligation Bonds	<u>290,000</u>	3.50%
Total	<u><u>\$321,020</u></u>	

The Ohio Public Works Commission (OPWC) loan relates to the water tower construction project. The OPWC has approved a \$56,410 loan to the Village for this project. The loan will be repaid in semiannual installments of \$1,410, over 20 years.

**VILLAGE OF MORROW
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

6. DEBT (Continued)

The General Obligation Bonds were issued for water system improvements, refunding the 1999 General Obligation Waterworks System Refunding and Improvement Bonds, and street improvements. The General Obligation Bonds are collateralized by the Village's taxing authority.

Amortization of the above debt, including interest, follows:

2006	\$2,820	\$30,000
2007	2,820	30,000
2008	2,820	35,000
2009	2,820	35,000
2010	2,820	35,000
2011-2015	14,100	125,000
2015-2019	2,820	0
Total	\$31,020	\$290,000

7. RETIREMENT SYSTEMS

The Village's law enforcement officers [and firefighters (*delete if no covered firefighters*)] belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes the plans' retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2005 and 2004, OP&F participants contributed 10 percent of their wages. The Village contributed an amount equal to 19.5 percent of police participant [and 24 percent of fire participant] wages. OPERS members contributed 8.5 percent of their wages. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. As discussed in finding number 2005-006, the Village has a delinquent balance owed to OPERS at December 31, 2005.

8. RISK MANAGEMENT

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**VILLAGE OF MORROW
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

8. RISK MANAGEMENT (Continued)

Casualty Coverage

PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$12,000,000 with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

Through 2004, PEP retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence. APEEP's Guarantee Fund was responsible for losses and loss adjustment expenses exceeding operating contributions.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2005 was \$1,682,589.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective township.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Members may withdraw on each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus the subsequent year's premium. Also upon withdrawal, payments for all property and casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 and 2004.

**VILLAGE OF MORROW
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

8. RISK MANAGEMENT (Continued)

<u>Casualty Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$29,719,675	\$27,437,169
Liabilities	<u>(15,994,168)</u>	<u>(13,880,038)</u>
Retained earnings	<u>\$13,725,507</u>	<u>\$13,557,131</u>

<u>Property Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$4,443,332	\$3,648,272
Liabilities	<u>(1,068,245)</u>	<u>(540,073)</u>
Retained earnings	<u>\$3,375,087</u>	<u>\$3,108,199</u>

The Casualty Coverage assets and retained earnings above include approximately \$14.3 million and \$12 million of unpaid claims to be billed to approximately 430 member governments in the future, as of December 31, 2005 and 2004, respectively. PEP will collect these amounts in future annual premium billings when PEP's related liabilities are due for payment. The Village's share of these unpaid claims is approximately \$20,717 and 20,524 for 2005 and 2004 respectively.

9. COMPLIANCE

- The Village Clerk did not maintain accurate and complete records as required by Ohio laws.
- The Village expended monies from restricted funds for a purpose that was not authorized by Ohio law. The monies have been restored to the fund.
- The Village made interfund transfers not approved and not allowed under Ohio Law. These transfers have been corrected.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Village of Morrow
Warren County
150 Pike Street
Morrow, Ohio 45152

To the Village Council:

We have audited the financial statements of Village of Morrow, Warren, Ohio (the Village), as of and for the year ended December 31, 2005 and 2004, and have issued our report thereon dated December 11, 2006, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider 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 managements' assertions in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as item 2005-002 through 2005-009.

A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when 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 material weaknesses. We consider Reportable Condition 2005-006 listed above to be a material weakness. In a separate letter to the Village's management dated December 11, 2006, we reported other matters involving internal control over financial reporting that we did not deem reportable conditions.

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Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed several instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2005-002 through 2005-008. In a separate letter to the Village's management dated December 11, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and Village Council. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 11, 2006

**VILLAGE OF MORROW
WARREN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2005 AND 2004**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2005-001

Noncompliance Citation/Finding for Recovery Repaid Under Audit

The Scheurer Trust agreement states that trust income can be spent two thirds for the needy citizens in the Village, one sixth for street lighting, and one sixth for the fire department. Contrary to the provisions of the trust agreement, check #15934 for \$1,800 was paid to Kroger on December 20, 2005. The supporting documentation provided for audit did was unable to show that this disbursement was for an allowable purpose under the trust agreement. The Check was signed by the former Village Clerk Tina Browning and Village Council Member Vic Center. The voucher was marked with the purpose of Sheurer Trust fund, but posted on the system to the Fire Fund. The financial statements have been adjusted to post this amount to the Scheurer Trust Fund.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code, Section 117.28, a Finding for Recovery for public monies illegally expended may be issued against Vic Center, Village Council Member, and Tina Browning, former Village Clerk, and Ohio Casualty Insurance Group policy #3819995, Ms. Brown's surety, jointly and severally, in the total amount of \$1,800.00 and in favor of the Village of Morrow.

This Finding for Recovery was repaid to the Village of Morrow.

Officials' Response

We did not receive a response from Officials to this finding.

FINDING NUMBER 2005-002

Noncompliance Citation/ Reportable Condition

Ohio Rev. Code, Section 5705.41(D)(1), prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 (\$1,000 prior to April 7, 2003) may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

**FINDING NUMBER 2005-002
(Continued)**

2. Blanket Certificate – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. (Prior to September 26, 2003, blanket certificates were limited to \$5,000 and three months.) The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Village did not properly certify the availability of funds for purchase commitments for fifty-eight percent of expenditures tested, for 2005 and 2004 and none of the exceptions above applied. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the Village uses the exceptions noted above, prior certification is not only required by statute but also is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village’s funds exceeding budgetary spending limitations, we recommend that the Clerk certify that funds are or will be available prior to obligation by the Village. When prior certification is not possible, “then and now” certification should be used.

We recommend the Village certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Clerk should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Clerk should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Officials’ Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2005-003

Noncompliance Citation/ Reportable Condition

Ohio Rev. Code, Section 5705.39, provides, in part, that total appropriation from each fund shall not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. In 2005, the Village did not approve or file a certificate of estimated resources; therefore, appropriations exceeded estimated resources in each fund. Failure to properly approve or file a Certificate of Estimated Resources can result in overspending funds and negative cash fund balances. We recommend that the Clerk complete a Certificate of Estimated Resources, and file a copy approved by Village Council with the County Auditor.

Officials’ Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2005-004

Noncompliance Citation /Reportable Condition

Ohio Rev. Code, Section 5705.41(B), provides that no subdivision shall make any expenditure of money unless it has been properly appropriated. The following material variances were identified during testing:

<u>Year</u>	<u>Fund</u>	<u>Function/Object</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
2004	2011-Street	610/490	\$3,043	\$13,425	(10,382)
2004	2901-Woodlands of Morrow	410/690	0	9,269	(9,269)
2004	5101-Utilities	539/500	84,586	308,675	(224,089)

There were other various immaterial instances of noncompliance. Expending money in excess of appropriations can result in overspending funds and negative cash fund balances. We recommend that the Village not make any expenditure in excess of appropriations.

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2005-005

Noncompliance Citation/ Reportable Condition

Ohio Rev. Code, Section 5705.40, provides that any appropriation measure may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation. However, no appropriation may be reduced below an amount sufficient to cover all unliquidated and outstanding contracts or obligations against them. In 2005 and 2004, the Village amended their appropriations per the system; however, this was not done with an approved ordinance from Council. Failure to approve appropriations can result in overspending funds and negative cash fund balances. We recommend that any appropriation modifications be approved by Council ordinance.

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2005-006

Noncompliance Citation / Material Weakness

Ohio Rev. Code, Section 733.28, provides that the Village Clerk shall keep the books of the Village, exhibit accurate statements of all monies received and expended, and maintain records of all property owned by the Village and income derived. In addition, Ohio Admin. Code Section 117-2-02(A) states that all public offices shall 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 and liabilities, document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.

FINDING NUMBER 2005-006
(Continued)

- The Village did not maintain an accurate record of all moneys received. The accounting records of the Village contained posting errors, were not reconciled to the bank, lacked correct classifications of receipts and expenditures, and lacked accurate month-to-date and year-to-date totals. As a result, those records which were maintained by the Clerk were not an accurate reflection of all monies received and expended. All of these conditions exhibit a lack of control over the recording and reporting of Village financial activity and resulted in inaccurate and untimely accounting records.
- The Clerk posted tax settlement sheets and intergovernmental revenue incorrectly between the General, State Highway and Street Funds. These errors resulted in adjustments to the financial statements as presented.
- The Clerk posted tax settlement sheets at net instead of gross. To properly record the tax revenue, the full amount of revenue needs to be recognized and the fees should be reflected as an expenditure. The financial statements were not adjusted because these errors did not result in a material misstatement or material revenue transaction line items.
- We noted that the Village's portion of Mayor's Court fines was posted as Charges for Services instead of Fines, Licenses and Permits for \$1,021 in 2004 and \$318 in 2005. The financial statements were not adjusted because these errors did not result in a material misstatement or material revenue transaction line items.
- Principal and Interest payments were not posted to the appropriate line items. The 2005 payment of the GO bonds was not posted to the system. The Village's financial statements and ledgers have been adjusted to correct this.
- The Village did not properly reconcile its bank account during 2005 and 2004. Reconciliations were performed throughout 2004 but outstanding checks listed were incorrect, voided checks cleared the bank, receipts were not always posted, and there were various cash posting errors. December 31 was the only reconciliation prepared for 2005. The reconciliation contained unknown reconciling items and no balance for outstanding checks.
 - A. The December 31, 2005 reconciliation had no balance for outstanding checks, but \$135,901.57 in checks were outstanding at 12/31/05.
 - B. Over the audit period, there was \$42,140 in checks that were voided in the Village's system; however, they cleared the bank.
 - C. Receipts totaling \$4,533 were not posted to the Village books.
 - D. A check for \$4,320 cleared the bank but was not posted to the books.
- 7 disbursements totaling \$101,136 that were not posted to the appropriate fund. The Village's financial statements and ledgers have been adjusted to correct this.
- The Clerk incorrectly receipted \$26,430 that was refunded to the Village from an escrow account that was already on the Village's books. The Clerk also failed to expend the remaining \$57,210 disbursed from the escrow account to make the final debt payment required of the escrow agreement.
- The Clerk did not make routine or accurate remittance of payroll withholdings.

**FINDING NUMBER 2005-006
(Continued)**

- A. The Village received a letter OPERS dated December 27, 2005 assessing an interest penalty on past due balance of \$2,385.06 on the dates of January 3, 2006 and November 16, 2005.
 - B. We identified a check and the completed remittance form for the State of Ohio 4th quarter 2005 taxes in the Village office. As of July 6, 2006 the check in the amount of \$2,303.58 it still had not been sent to the State for remittance.
 - C. The Village received a letter from OP&F that stated they had a past due balance of \$3,973.22.
 - D. There was a letter from the IRS stating that the village was delinquent on their 941 filings as of June 30, 2005.
 - E. 3rd and 4th quarter 941 forms were not provided for audit.
- The Village signed to approve the 2005 tax budget by the appropriate date, but failed to document approval of the budget in the minutes.
 - The official budgetary amounts as approved by council were not properly input into the Village's budgetary ledgers on their computer system. The 2005 and 2004 appropriation resolutions and the 2004 Amended Certificate of Estimated Resources were not properly input into the Village's budgetary ledgers on their computer system. Inputting these documents into the system properly helps the Village to accurately monitor the Village's activities. Without accurate data, the Village can not make sound business decisions.

Failure to provide accurate and complete financial information limits management's resources for decision making and can provide a false perception of the Village's financial position. Failure to accurately prepare and reconcile the accounting records reduces the accountability over Village funds, reduces the Council's ability to monitor financial activity, increases the likelihood that monies will be misappropriated and not detected and increases the likelihood that the Village's financial statements will be misstated. Reconciliations are an effective tool to help management determine the completeness of recorded transactions, as well as, ensure that all recorded transactions have been deposited with the financial institution. Failure to timely and accurately remit payroll withholdings to the appropriate agencies can make the Village liable for late penalties and interest. Failure to properly certify budgetary documents can result in overspending funds and negative cash fund balances.

We recommend the Clerk use due care when posting receipts, posting expenditures to appropriate fund and account codes, and, the posting of Village debt payments. We recommend the Village properly reconcile the account monthly. The Village Clerk should perform a reconciliation between the bank balance and computer system balance monthly. The reconciled checking account balance (bank balance less outstanding checks plus deposits in transit) plus each certificate of deposit balance should equal the total fund balance. Any variances should be immediately investigated and justified. We also recommend that a council member review and sign off on the reconciliation thereby indicating approval and ensuring timeliness of reconciliations. We recommend that the Village accurately complete remittance forms and remit taxes and other withholding on a routine and timely basis to the remittance agencies. The Village should contact each of its remitting agencies to determine the balance of past due amounts and delinquent report filings. To provide accurate and complete financial information for management to use in the decision making process, we recommend the Village properly input their amended certificate and appropriation resolutions into their system.

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2005-007

Noncompliance Citation /Reportable Condition

Ohio Rev. Code, Section 5735.29, mandates the allowable purposes for monies from fuel excise taxes to be disbursed. We identified 3 disbursements with a total of \$30,624.38 allocated to Street fund that did not meet the allowable use of fuel excise tax monies. The Village's financial statements and ledgers have been adjusted to correct this.

Failure to properly classify disbursements can result in misspending restricted funds.

We recommend that the Clerk use due care when coding expenditures to appropriate fund and account codes.

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2005-008

Noncompliance Citation/ Reportable Condition

Ohio Rev. Code, Section 5705.14, provides that interfund transfers shall only be made by resolution of the taxing authority. *See also* 1989 Op. Atty. Gen. No. 89-075 (Ohio Rev. Code Section 5705.14(E) has been interpreted to require a resolution passed by a simple majority when transferring funds from the general revenue fund to specific funds). In certain circumstances, which are detailed in Ohio Rev. Code Section 5705.14, transfers from funds other than the General Fund may be made by a resolution passed by a two-thirds vote of the taxing authority. During the audit period, the Village transferred monies from the water operating fund to the general fund. The Village also transferred interest earnings from the Nonexpendable Trust fund to the General Fund, Fire & Life Fund, and the Poor Relief Fund. Only 1 of the 21 transfers posted to the system during the audit period were approved by a council resolution. The Village's financial statements and ledgers have been adjusted to reverse unallowable transfers.

By not approving transfers and making transfers not allowed under Ohio Law, the Village can misspend restricted funds and this can result in overspending funds and negative cash fund balances.

We recommend that the Clerk obtain a Council Resolution before transferring funds and review legislation mandating allowable transfers.

Officials' Response:

We did not receive a response from Officials to this finding.

**FINDING NUMBER 2005-009
(Continued)**

Reportable Condition

The Village holds the proceeds of the Scheurer Trust. The trust agreement states that trust income can be spent two thirds for the needy citizens in the Village. An informal procedure of completing an application for needy citizens to receive relief does exist and is typically used, but there is no policy requiring this procedure for all trust disbursements.

By not having a policy to determine eligibility of trust disbursements the Village could expend monies for purposes not allowed under the trust.

We recommend that the Village formally adopt a policy requiring an application be completed and approved for all disbursements from the Sheurer Trust fund. This will assure the Village avoids disbursing funds for causes that don't meet the guidelines of the agreement.

Officials' Response:

We did not receive a response from Officials to this finding.

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**VILLAGE OF MORROW
WARREN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005 AND 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2003-001	Ord. 13-00	Yes	
2003-002	ORC 149.351	Yes	
2003-003	ORC 5705.41 (D)	No	Reissued as finding 2005-002
2003-004	ORC 5705.39	No	Reissued as finding 2005-003
2003-005	ORC 5705.41(B)	No	Reissued as finding 2005-004
2003-006	ORC 5705.40	No	Reissued as finding 2005-005
2003-007	ORC 733.28	No	Reissued as finding 2005-006
2003-008	Sheurer Trust Agreement	No	Reissued as finding 2005-001
2003-009	Interim Salary Increase	Yes	



**Auditor of State
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VILLAGE OF MORROW

WARREN 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
JANUARY 2, 2007**