



**Auditor of State
Betty Montgomery**

VILLAGE OF WILLIAMSPORT
PICKAWAY COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Williamsport
Pickaway County
P.O. Box 163
Williamsport, Ohio 43164

To the Village Council:

We have audited the accompanying financial statements of the Village of Williamsport, Pickaway County, Ohio, (the Village) as of and for the years ended December 31, 2002 and December 31, 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 accounting principles generally accepted in the United State of America.

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 the Village of Williamsport, Pickaway County, Ohio as of December 31, 2002 and December 31, 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 March 19, 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.

This report is intended solely for the information and use of the audit committee, management, Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

March 19, 2003

**VILLAGE OF WILLIAMSPORT
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$26,454	\$20,322	\$46,776
Intergovernmental Receipts	42,374	34,188	76,562
Charges for Services	0	34,329	34,329
Fines, Licenses, and Permits	1,411	0	1,411
Earnings on Investments	12,559	965	13,524
Miscellaneous	3,691	500	4,191
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	86,489	90,304	176,793
Cash Disbursements:			
Current:			
Security of Persons and Property	25,724	34,702	60,426
Public Health Services	1,987	0	1,987
Leisure Time Activities	9,495	0	9,495
Community Environment	5,160	0	5,160
Transportation	0	17,716	17,716
General Government	31,695	0	31,695
Debt Service:			
Principal Payments	0	6,140	6,140
Interest Payments	0	2,583	2,583
Capital Outlay	0	9,456	9,456
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	74,061	70,597	144,658
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	12,428	19,707	32,135
Other Financing Receipts and (Disbursements):			
Transfers-Out	(5,072)	0	(5,072)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	7,356	19,707	27,063
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	74,031	175,190	249,221
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>
	\$81,387	\$194,897	\$276,284
Reserves for Encumbrances, December 31	<hr/>	<hr/>	<hr/>
	\$3,674	\$4,835	\$8,509

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

**VILLAGE OF WILLIAMSPORT
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Enterprise
Operating Cash Receipts:	
Charges for Services	\$581,344
Miscellaneous	1,216
	<u>582,560</u>
Total Operating Cash Receipts	<u>582,560</u>
Operating Cash Disbursements:	
Personal Services	87,811
Fringe Benefits	29,722
Contractual Services	284,806
Supplies and Materials	36,803
	<u>439,142</u>
Total Operating Cash Disbursements	<u>439,142</u>
Operating Income/(Loss)	<u>143,418</u>
Non-Operating Cash Disbursements:	
Debt Service	199,597
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(56,179)
Transfers-In	5,072
	<u>5,072</u>
Net Receipts Over/(Under) Disbursements	(51,107)
Fund Cash Balances, January 1	<u>700,714</u>
Fund Cash Balances, December 31	<u><u>\$649,607</u></u>
Reserve for Encumbrances, December 31	<u><u>\$1,333</u></u>

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

**VILLAGE OF WILLIAMSPORT
PICKAWAY 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	\$26,764	\$21,881	\$48,645
Intergovernmental Receipts	46,443	37,508	83,951
Charges for Services	0	31,804	31,804
Fines, Licenses, and Permits	125	0	125
Earnings on Investments	27,113	1,565	28,678
Miscellaneous	12,046	0	12,046
	<u>112,491</u>	<u>92,758</u>	<u>205,249</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	29,007	26,955	55,962
Public Health Services	1,814	0	1,814
Leisure Time Activities	10,505	0	10,505
Community Environment	410	0	410
Transportation	0	33,060	33,060
General Government	43,425	0	43,425
Debt Service:			
Principal Payments	0	5,798	5,798
Interest Payments	0	2,925	2,925
Capital Outlay	0	420	420
	<u>85,161</u>	<u>69,158</u>	<u>154,319</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>27,330</u>	<u>23,600</u>	<u>50,930</u>
Other Financing Receipts and (Disbursements):			
Transfers-Out	(15,857)	0	(15,857)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	11,473	23,600	35,073
Fund Cash Balances, January 1	<u>62,558</u>	<u>151,590</u>	<u>214,148</u>
Fund Cash Balances, December 31	<u>\$74,031</u>	<u>\$175,190</u>	<u>\$249,221</u>
Reserves for Encumbrances, December 31	<u><u>\$1,126</u></u>	<u><u>\$5,181</u></u>	<u><u>\$6,307</u></u>

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

**VILLAGE OF WILLIAMSPORT
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Enterprise
Operating Cash Receipts:	
Charges for Services	\$579,460
Miscellaneous	949
	580,409
Total Operating Cash Receipts	580,409
Operating Cash Disbursements:	
Personal Services	84,830
Fringe Benefits	24,087
Contractual Services	262,447
Supplies and Materials	31,389
Capital Outlay	4,543
	407,296
Total Operating Cash Disbursements	407,296
Operating Income/(Loss)	173,113
Non-Operating Cash Disbursements:	
Debt Service	87,120
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	85,993
Transfers-In	15,857
Net Receipts Over/(Under) Disbursements	101,850
Fund Cash Balances, January 1	598,864
Fund Cash Balances, December 31	\$700,714
Reserve for Encumbrances, December 31	\$60,890

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

**VILLAGE OF WILLIAMSPORT
PICKAWAY 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 Williamsport, Pickaway 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 water, sewer and gas utilities, park operations, and fire protection services. The Village contracts with the Pickaway County Sheriff's department to provide security of persons and property. The Village provides fire protection services to the following Pickaway County Townships: Jackson, Monroe, Muhlenberg, and Wayne.

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

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.

Joint Fire Fund -This fund receives monies from fire contracts and tax revenues for the operation and maintenance of the fire department.

**VILLAGE OF WILLIAMSPORT
PICKAWAY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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.

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

Water Debt Fund – This fund received loan proceeds from the Ohio Water Development Authority and the Ohio Public Works Commission to finance the Construction of new wells and water lines. Loans will be repaid from the utility charges accounted for in this fund.

Sewer Debt Fund - This fund received loan proceeds from the Ohio Water Development Authority and the Ohio Public Works Commission to finance the renovation of the waste treatment facility. Loans will be repaid from the utility charges accounted for in this fund

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level 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. Unencumbered appropriations lapse at year end.

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.

**VILLAGE OF WILLIAMSPORT
PICKAWAY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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

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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

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.. The carrying amount of cash deposits at December 31 follows:

	2002	2001
Demand deposits	\$690,891	\$714,935
Certificates of deposit	235,000	235,000
Total deposits	\$925,891	\$949,935

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

3. BUDGETARY ACTIVITY

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

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$80,500	\$86,489	\$5,989
Special Revenue	86,491	90,304	3,813
Enterprise	902,390	587,632	(314,758)
Total	\$1,069,381	\$764,425	(\$304,956)

**VILLAGE OF WILLIAMSPORT
PICKAWAY COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$154,531	\$82,807	\$71,724
Special Revenue	159,967	75,432	84,535
Enterprise	1,107,021	640,072	466,949
Total	<u>\$1,421,519</u>	<u>\$798,311</u>	<u>\$623,208</u>

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$88,297	\$112,491	\$24,194
Special Revenue	85,992	92,758	6,766
Enterprise	754,882	596,266	(158,616)
Total	<u>\$929,171</u>	<u>\$801,515</u>	<u>(\$127,656)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$126,180	\$102,144	\$24,036
Special Revenue	126,030	74,339	51,691
Enterprise	883,999	555,306	328,693
Total	<u>\$1,136,209</u>	<u>\$731,789</u>	<u>\$404,420</u>

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.

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.

**VILLAGE OF WILLIAMSPORT
PICKAWAY COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Farmer's Home Administration (Revenue Bonds-Sewer)	\$287,000	5.00%
Ohio Public Works Commission	63,000	0.00%
Savings Bank - Williamsport - Fire Truck Loan	41,568	5.75%
Ohio Water Development Authority Loan-Water #2135	1,206,836	6.11%
Ohio Water Development Authority Loan-Water #2136	99,384	5.66%
Total	<u>\$1,697,788</u>	

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency which included the drilling of several new wells. The loans are to be paid in semi-annual installments of \$52,416 and \$4,054, respectively through 2023.

The Farmer's Home Administration Revenue Bonds were initiated for the construction of the waste water treatment plant in 1991 in the amount of \$408,450. The scheduled annual payments are noted in the table below.

The Ohio Public Works Commission (OPWC) loan provided additional assistance in the water plant expansion project. The Village received \$84,000 in 1993 to be repaid over 20 years.

The Savings Bank of Williamsport loan was in the amount of \$66,209 for the purchase of a fire truck. The Village pays \$727 monthly through July 2008.

The loans and bonds for water and sewer projects are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA, FmHA, and OPWC debt service requirements.

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

**VILLAGE OF WILLIAMSPORT
PICKAWAY COUNTY**

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

5. DEBT (Continued)

	<u>FmHA Sewer</u>	<u>OPWC Water</u>	<u>Fire Truck</u>	<u>OWDA Water -2135</u>	<u>OWDA Sewage - 2136</u>
Year ending December 31:					
2003	\$26,350	\$4,200	\$8,723	\$104,832	\$8,108
2004	25,750	4,200	8,723	104,832	8,108
2005	27,150	4,200	8,723	104,832	8,108
2006	27,450	4,200	8,723	104,832	8,108
2007	26,700	4,200	8,723	104,832	8,108
2008-2012	131,750	21,000	0	524,160	40,540
2013-2017	133,000	21,000	0	524,160	40,540
2018-2022	25,200	0	0	471,744	40,540
2023-2024	0	0	0	52,416	12,163
Total	<u>\$423,350</u>	<u>\$63,000</u>	<u>\$43,615</u>	<u>\$2,096,640</u>	<u>\$174,323</u>

6. RETIREMENT SYSTEMS

The Village's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.



**Auditor of State
Betty Montgomery**

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

Village of Williamsport
Pickaway County
P.O. Box 163
Williamsport, Ohio 43164

To the Village Council:

We have audited the accompanying financial statements of the Village of Williamsport, Pickaway County, Ohio, (the Village) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated March 19, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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 2002-30665-001 and 2002-30665-002.

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated March 19, 2003.

This report is intended solely for the information and use of the audit committee, management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

March 19, 2003

**VILLAGE OF WILLIAMSPORT
PICKAWAY COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER	2002-30665-001
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Segregation of Duties

Two utility department personnel perform the duties of reading customer meters, entering water, sewer and gas usage data into the computer billing system, issuing billing statements, making billing adjustments, and collecting and posting collections. Several of these duties are incompatible and should be segregated among employees to help ensure any errors or irregularities which may occur are detected by management timely.

The performance of these duties, as described, could facilitate errors or the misappropriation of Village assets. At a minimum, the payment collection function should be segregated from consumption records, billing, payment posting and adjustment approval/posting.

Therefore, we recommend the Village segregate these functions to the extent possible and provide for periodic (e.g. weekly, monthly) management review of utility activity reports (including adjustments) to help ensure the assets are safeguarded and billing and collections are accurately and completely recorded and summarized in the subsidiary and general ledgers.

FINDING NUMBER	2002-30665-002
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Water, Sewer & Gas-Standing Data File

The Village's "standing" data file contains each customer's name, address, account number, telephone number, service provided and billing rates. The billing rate is applied to the usage number to calculate the billing amount for the utility services used. Access to this file has not been limited to a specific user other than those performing the daily operational activities (consumption, billings and payment postings) of the utility department. The two employees with access to the computer have access to the standing data file and can modify any information contained therein without any management oversight.

This weakness could permit the manipulation of standing data resulting in errors and irregularities to occur. Standing data file access should be limited to one specific employee, with management oversight to ensure modifications are properly authorized before files are changed.

We recommend the Village limit access to the standing data file to an individual other than those performing the daily operation of the utility department and management authorize any modification before it is made and perform monitoring on all changes that are made.



**Auditor of State
Betty Montgomery**

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VILLAGE OF WILLIAMSPORT

PICKAWAY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 20, 2003**