



**Auditor of State
Betty Montgomery**

VILLAGE OF MURRAY CITY
HOCKING COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Murray City
Hocking County
13964 Locust Street
Murray City, Ohio 43144

To the Village Council:

We have audited the accompanying financial statements of the Village of Murray City, Hocking County, Ohio (the Village), as of and for the years ended December 31, 2003 and 2002. 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. The Village's financial transactions were processed using 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 conduct the audit of 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 Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 and reserves for encumbrances of the Village of Murray City, Hocking County, as of December 31, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The Auditor of State has billed the Village for audit services provided for the years ending December 31, 2001 and 2000. As of the date of this report, the Village has been billed \$5,076 for the December 31, 2001 and 2000 audit and has yet to pay \$3,726.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2004 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, the Village Council and other officials authorized to receive this report under Section 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

August 19, 2004

VILLAGE OF MURRAY CITY
HOCKING COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 21,307	\$	\$	\$ 21,307
Intergovernmental Receipts	17,644	18,950		36,594
Charges for Services	3,000			3,000
Fines, Licenses, and Permits	6,061			6,061
Earnings on Investments	194	72		266
Miscellaneous	5,423	169		5,592
Total Cash Receipts	<u>53,629</u>	<u>19,191</u>	<u>0</u>	<u>72,820</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	23,883			23,883
Transportation		18,863		18,863
General Government	31,532			31,532
Debt Service:				
Principal Payments			321	321
Interest Payments			3	3
Total Cash Disbursements	<u>55,415</u>	<u>18,863</u>	<u>324</u>	<u>74,602</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(1,786)</u>	<u>328</u>	<u>(324)</u>	<u>(1,782)</u>
Other Financing Receipts and (Disbursements):				
Transfers-In			324	324
Transfers-Out	(324)	0	0	(324)
Total Other Financing Receipts/(Disbursements)	<u>(324)</u>	<u>0</u>	<u>324</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(2,110)	328	0	(1,782)
Fund Cash Balances, January 1	4,788	2,368		7,156
Fund Cash Balances, December 31	<u>\$ 2,678</u>	<u>\$ 2,696</u>	<u>\$ 0</u>	<u>\$ 5,374</u>
Reserves for Encumbrances, December 31	<u>51</u>	<u>0</u>	<u>0</u>	<u>51</u>

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

VILLAGE OF MURRAY CITY
HOCKING 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, 2003**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 67,905	\$	\$ 67,905
Total Operating Cash Receipts	<u>67,905</u>	<u>0</u>	<u>67,905</u>
Operating Cash Disbursements:			
Personal Services	6,329		6,329
Fringe Benefits	1,797		1,797
Contractual Services	95,286		95,286
Supplies and Materials	2,060		2,060
Other	250		250
Capital Outlay	61,083		61,083
Total Operating Cash Disbursements	<u>166,805</u>	<u>0</u>	<u>166,805</u>
Operating Income/(Loss)	<u>(98,900)</u>	<u>0</u>	<u>(98,900)</u>
Non-Operating Cash Receipts:			
Intergovernmental Receipts	46,250		46,250
Other Debt Proceeds	46,250		46,250
Other Financing Sources		7,199	7,199
Total Non-Operating Cash Receipts	<u>92,500</u>	<u>7,199</u>	<u>99,699</u>
Non-Operating Cash Disbursements:			
Other Financing Uses		7,215	7,215
Total Non-Operating Cash Disbursements	<u>0</u>	<u>7,215</u>	<u>7,215</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	(6,400)	(16)	(6,416)
Fund Cash Balances, January 1	<u>14,523</u>	<u>24</u>	<u>14,547</u>
Fund Cash Balances, December 31	<u>\$ 8,123</u>	<u>\$ 8</u>	<u>\$ 8,131</u>
Reserve for Encumbrances, December 31	<u>\$ 39</u>	<u>\$ 0</u>	<u>\$ 39</u>

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

VILLAGE OF MURRAY CITY
HOCKING 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>	<u>Debt Service</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 21,717	\$	\$	\$ 21,717
Intergovernmental Receipts	26,052	18,608		44,660
Charges for Services	2,500			2,500
Fines, Licenses, and Permits	6,842			6,842
Earnings on Investments	488	180		668
Miscellaneous	4,433	600		5,033
	<u>62,032</u>	<u>19,388</u>	<u>0</u>	<u>81,420</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	42,551			42,551
Transportation		19,586		19,586
General Government	22,346			22,346
Debt Service:				
Principal Payments			1,838	1,838
Interest Payments			103	103
	<u>64,897</u>	<u>19,586</u>	<u>1,941</u>	<u>86,424</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(2,865)</u>	<u>(198)</u>	<u>(1,941)</u>	<u>(5,004)</u>
Other Financing Receipts and (Disbursements):				
Transfers-In			1,941	1,941
Transfers-Out	(1,941)			(1,941)
	<u>(1,941)</u>	<u>0</u>	<u>1,941</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(4,806)	(198)	0	(5,004)
Fund Cash Balances, January 1	9,594	2,566	0	12,160
Fund Cash Balances, December 31	<u>\$ 4,788</u>	<u>\$ 2,368</u>	<u>\$ 0</u>	<u>\$ 7,156</u>
Reserves for Encumbrances, December 31	<u>\$ 51</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 51</u>

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

VILLAGE OF MURRAY CITY
HOCKING 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, 2002**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 63,930	\$	\$ 63,930
Total Operating Cash Receipts	<u>63,930</u>	<u>0</u>	<u>63,930</u>
Operating Cash Disbursements:			
Personal Services	6,469		6,469
Fringe Benefits	1,190		1,190
Contractual Services	2,310		2,310
Supplies and Materials	3,865		3,865
Other	450		450
Capital Outlay	51,998		51,998
Total Operating Cash Disbursements	<u>66,282</u>	<u>0</u>	<u>66,282</u>
Operating Income/(Loss)	<u>(2,352)</u>	<u>0</u>	<u>(2,352)</u>
Non-Operating Cash Receipts:			
Other Financing Sources		8,631	8,631
Total Non-Operating Cash Receipts	<u>0</u>	<u>8,631</u>	<u>8,631</u>
Non-Operating Cash Disbursements:			
Other Financing Uses		8,627	8,627
Total Non-Operating Cash Disbursements	<u>0</u>	<u>8,627</u>	<u>8,627</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	(2,352)	4	(2,348)
Fund Cash Balances, January 1	16,875	20	16,895
Fund Cash Balances, December 31	<u>\$ 14,523</u>	<u>\$ 24</u>	<u>\$ 14,547</u>
Reserve for Encumbrances, December 31	<u>\$ 23</u>	<u>\$ 0</u>	<u>\$ 23</u>

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

**VILLAGE OF MURRAY CITY
HOCKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Murray City, Hocking 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, Mayor and Clerk. The Village provides services that include maintenance of streets, water utility services, park operations, and police protection services. The Village appropriates General Fund money to support a volunteer fire department.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Cash and Investments

The Clerk maintains all available cash in an interest-bearing checking account. 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 that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

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

**VILLAGE OF MURRAY CITY
HOCKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant Debt Service Fund:

Cruiser Debt Service Fund - This fund receives transfers of cash from the General Fund to pay the debt of a police cruiser.

4. 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.

Storm Sewer Fund - This fund receives grant monies to update storm sewers.

5. Fiduciary Funds (Agency Fund)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following Fiduciary Fund:

Mayor's Court Fund - This fund accounts for the financial activity of the Mayor's Court.

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 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 MURRAY CITY
HOCKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(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. The Village did not encumber all commitments as required by Ohio law. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2003	2002
Demand deposits	\$ 13,505	\$ 11,703
Certificates of deposit		10,000
Total deposits	\$ 13,505	\$ 21,703

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 59,000	\$ 53,629	\$ (5,371)
Special Revenue	21,005	19,191	(1,814)
Debt Service	324	324	0
Enterprise	160,400	160,405	5
Total	\$ 240,729	\$ 233,549	\$ (7,180)

**VILLAGE OF MURRAY CITY
HOCKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 62,000	\$ 55,790	\$ 6,210
Special Revenue	22,561	18,863	3,698
Debt Service	324	324	0
Enterprise	174,547	166,844	7,703
Total	<u>\$ 259,432</u>	<u>\$ 241,821</u>	<u>\$ 17,611</u>

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 67,000	\$ 62,032	\$ (4,968)
Special Revenue	21,224	19,388	(1,836)
Debt Service	1,941	1,941	0
Enterprise	107,200	63,930	(43,270)
Total	<u>\$ 197,365</u>	<u>\$ 147,291</u>	<u>\$ (50,074)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 72,793	\$ 66,889	\$ 5,904
Special Revenue	25,493	19,586	5,907
Debt Service	1,941	1,941	0
Enterprise	67,180	66,305	875
Total	<u>\$ 167,407</u>	<u>\$ 154,721</u>	<u>\$ 12,686</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.

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 MURRAY CITY
HOCKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

5. DEBT

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
Backhoe Lease/Purchase	\$ 6,789	5.75%

The Backhoe Lease/Purchase relates to the purchase of a backhoe. The loan will be paid in annual installments of \$7,151, including interest. The lease is collateralized by the equipment purchased.

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

Year Ending December 31:	Backhoe Lease
2004	\$ 7,151

6. RETIREMENT SYSTEM

All Village employees and elected officials 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 2003 and 2002, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. The Village has paid all contributions required through December 31, 2003.

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Public official's liability; and
- Vehicles.

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Auditor of State Betty Montgomery

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

Village of Murray City
Hocking County
13964 Locust Street
Murray City, Ohio 43144

To the Village Council:

We have audited the financial statements of the Village of Murray City, Hocking County, Ohio (the Village), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 19, 2004, wherein we noted that the Village's financial transactions were processed using 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 conduct the audit of the Village because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. We also noted the Village had not paid all audit fees from our 2002 and 2001 audits. 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 directly and materially affect 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 an instance of noncompliance that we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2003-001. We also noted certain immaterial instances of noncompliance that we have reported to the Village's management in a separate letter dated August 19, 2004.

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 a material weakness. 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 the Village's management in a separate letter dated August 19, 2004.

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Village of Murray City
Hocking County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

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

Betty Montgomery
Auditor of State

August 19, 2004

**VILLAGE OF MURRAY CITY
HOCKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2003-001

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D)(1) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer attached that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

There are several exceptions found in Section 5705.41(D)(1) to the standard requirement, stated above:

Then and Now Certificate: If the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, 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 taxing authority (Village Council) can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has 30 days from the receipt of the "then and now" certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$100 for counties, or less than \$1,000 (\$3,000 after April 7, 2003) for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority 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 taxing authority.

Sixty percent (60%) of the expenditures tested in 2003 and thirty-three percent (33%) of the expenditures tested in 2002 did not have the prior certification of the Village's Clerk and neither of the above exceptions had been met.

We recommend the Village's employees and officials obtain the prior certification of the Clerk prior to a commitment being incurred.



**Auditor of State
Betty Montgomery**

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**VILLAGE OF MURRAY CITY
HOCKING COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 4, 2004**