



**VILLAGE OF JUNCTION CITY
PERRY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF JUNCTION CITY
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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Junction City
Perry County
P.O. Box 105
Junction City, Ohio 43748

To the Village Council:

We have audited the accompanying financial statements of the Village of Junction City, Perry County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Junction City, Perry County, Ohio, as of December 31, 1999 and 1998, 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 July 18, 2000, 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.

This report is intended solely for the information and use of the 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, appearing to read "Jim Petro".

Jim Petro
Auditor of State

July 18, 2000

**VILLAGE OF JUNCTION CITY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 21,676	\$ 7,042	\$	\$ 28,718
Special Assessments	432			432
Intergovernmental Receipts	29,002	31,236		60,238
Charges for Services		80,952		80,952
Miscellaneous	2,317	6,249		8,566
	<u>53,427</u>	<u>125,479</u>	<u>0</u>	<u>178,906</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	24,464	39,950		64,414
Leisure Time Activities	314			314
Transportation		18,753		18,753
General Government	9,187	249		9,436
Debt Service:				
Principal Payments		51,093		51,093
Interest Payments		9,915		9,915
	<u>33,965</u>	<u>119,960</u>	<u>0</u>	<u>153,925</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>19,462</u>	<u>5,519</u>	<u>0</u>	<u>24,981</u>
Other Financing Receipts/(Disbursements):				
Other Financing Disbursements	<u>(10,091)</u>	<u>(12,743)</u>	<u>(2,206)</u>	<u>(25,040)</u>
Total Other Financing Receipts/(Disbursements)	<u>(10,091)</u>	<u>(12,743)</u>	<u>(2,206)</u>	<u>(25,040)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	9,371	(7,224)	(2,206)	(59)
Fund Cash Balances, January 1	<u>31,187</u>	<u>118,041</u>	<u>14,412</u>	<u>163,640</u>
Fund Cash Balances, December 31	<u><u>\$ 40,558</u></u>	<u><u>\$ 110,817</u></u>	<u><u>\$ 12,206</u></u>	<u><u>\$ 163,581</u></u>

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

**VILLAGE OF JUNCTION CITY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND CHANGES IN FUND CASH BALANCES
 PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 248,735
Miscellaneous	16,501
Total Operating Cash Receipts	265,236
Operating Cash Disbursements:	
Personal Services	44,163
Travel Transportation	924
Contractual Services	106,138
Supplies and Materials	21,657
Capital Outlay	91,712
Total Operating Cash Disbursements	264,594
Operating Income/(Loss)	642
Non-Operating Cash Receipts:	
Intergovernmental Receipts	91,712
Other Non-Operating Receipts	1,234
Total Non-Operating Cash Receipts	92,946
Non-Operating Cash Disbursements:	
Debt Service	43,073
Other Non-Operating Cash Disbursements	7,411
Total Non-Operating Cash Disbursements	50,484
Net Cash Receipts Over/(Under) Cash Disbursements	43,104
Fund Cash Balances, January 1	191,309
Fund Cash Balances, December 31	\$ 234,413

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

**VILLAGE OF JUNCTION CITY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 23,700	\$ 7,854	\$	\$ 31,554
Special Assessments	455			455
Intergovernmental Receipts	25,452	35,424		60,876
Charges for Services		58,000		58,000
Fines, Licenses, and Permits	90			90
Miscellaneous	5,041	28,370		33,411
	<u>54,738</u>	<u>129,648</u>	<u>0</u>	<u>184,386</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	25,267	114,369		139,636
Leisure Time Activities	1,222			1,222
Transportation		31,391		31,391
General Government	20,221	411		20,632
Debt Service:				
Principal Payments		6,566		6,566
Interest Payments		8,681		8,681
	<u>46,710</u>	<u>161,418</u>	<u>0</u>	<u>208,128</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>8,028</u>	<u>(31,770)</u>	<u>0</u>	<u>(23,742)</u>
Other Financing Receipts/(Disbursements):				
Proceeds Of Notes		36,000		36,000
Other Uses		(323)	(1,779)	(2,102)
	<u>0</u>	<u>35,677</u>	<u>(1,779)</u>	<u>33,898</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	8,028	3,907	(1,779)	10,156
Fund Cash Balances, January 1	<u>23,159</u>	<u>114,134</u>	<u>16,191</u>	<u>153,484</u>
Fund Cash Balances, December 31	<u>\$ 31,187</u>	<u>\$ 118,041</u>	<u>\$ 14,412</u>	<u>\$ 163,640</u>

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

**VILLAGE OF JUNCTION CITY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND CHANGES IN FUND CASH BALANCES
 PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 249,805
Miscellaneous	8,735
	258,540
Operating Cash Disbursements:	
Personal Services	41,490
Travel Transportation	1,045
Contractual Services	114,594
Supplies and Materials	19,462
Capital Outlay	184,710
	361,301
Operating Income/(Loss)	(102,761)
Non-Operating Cash Receipts:	
Intergovernmental Receipts	172,710
Miscellaneous	3,010
Sale of Notes	12,000
	187,720
Non-Operating Cash Disbursements:	
Debt Service	42,367
Other Non-Operating Cash Disbursements	23,120
	65,487
Net Cash Receipts Over/(Under) Cash Disbursements	19,472
Fund Cash Balances, January 1	171,837
Fund Cash Balances, December 31	\$ 191,309

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

**VILLAGE OF JUNCTION CITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Junction City, Perry County, Ohio, (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 general governmental services, including maintenance of streets, police protection, fire protection, and water and sewer utility services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

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

C. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts 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 license tax money for constructing, maintaining and repairing Village streets.

State Highway Fund - This fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining and repairing state highways in the Village.

Fire Fund - This fund receives money to equip, maintain, and operate the Village Volunteer Fire Department.

EMS Fund - This fund receives money to equip, maintain and operate the Village EMS Department.

**VILLAGE OF JUNCTION CITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Capital Projects Fund

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following Capital Projects Fund:

Waste Water Construction Fund - This fund receives grant monies for the payment of the construction of the waste water plant.

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.

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

Debt Service Reserve Fund - This fund receives charges for services from residents to cover the cost of paying debt incurred for the Enterprise Funds.

Utilities Deposit Fund - This fund receives deposits for water and sewer service.

Replacement Fund - This fund receives charges for services from residents to cover the cost of replacing water and sewer lines.

D. 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, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**VILLAGE OF JUNCTION CITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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 canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

E. 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.

F. Unpaid Vacation and Sick Leave

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

2. EQUITY IN POOLED CASH

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 312,994	\$ 299,949
Certificates of deposit	<u>85,000</u>	<u>55,000</u>
Total deposits	<u>\$ 397,994</u>	<u>\$ 354,949</u>

Deposits: Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

VILLAGE OF JUNCTION CITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 49,971	\$ 53,427	\$ 3,456
Special Revenue	87,250	125,479	38,229
Capital Projects	0	0	0
Enterprise	237,425	358,182	120,757
Total	<u>\$ 374,646</u>	<u>\$ 537,088</u>	<u>\$ 162,442</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 58,920	\$ 44,056	\$ 14,864
Special Revenue	159,310	132,703	26,607
Capital Projects	14,412	2,206	12,206
Enterprise	414,440	315,078	99,362
Total	<u>\$ 647,082</u>	<u>\$ 494,043</u>	<u>\$ 153,039</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 42,854	\$ 54,738	\$ 11,884
Special Revenue	85,050	165,648	80,598
Capital Projects	0	0	0
Enterprise	435,300	446,260	10,960
Total	<u>\$ 563,204</u>	<u>\$ 666,646</u>	<u>\$ 103,442</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 55,420	\$ 46,710	\$ 8,710
Special Revenue	185,140	161,741	23,399
Capital Projects	16,192	1,779	14,413
Enterprise	471,040	426,788	44,252
Total	<u>\$ 727,792</u>	<u>\$ 637,018</u>	<u>\$ 90,774</u>

**VILLAGE OF JUNCTION CITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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.

5. DEBT

Debt outstanding at December 31, 1999, was as follows:

	Principal	Interest Rate
Farmers Home Administration Sewer Improvement Bond	\$ 164,800	5.875%
Ohio Water Development Authority Waste Water Loan	180,115	7.240%
Ohio Public Works Commission Loan	24,366	2.000%
Promissory Note - Fire Truck Loan	71,779	5.500%
Promissory Note - EMS Vehicle Loan	31,358	5.500%
Ohio Public Works Commission Loan - Water Line	10,200	0.000%
Promissory Note - Water Loan	41,495	6.000%
Total	\$ 524,113	

The Farmers Home Administration (FmHA) Sewer Improvement Bond was issued in 1991 for improvements to the wastewater plant. The original amount of the bond issue was for \$174,000. The bonds mature in the year 2031.

The OWDA (Ohio Water Development Authority) Loan was issued in 1991 for improvements to the Village water system. The original amount of the loan was \$284,000, with semi-annual payments of \$10,923. The loan matures in the year 2013.

The OPWC (Ohio Public Works Commission) Loan was issued in 1993 for improvements to the Village water system. The original amount of the loan was \$31,000, with semi-annual payments of \$944. The loan matures in the year 2015.

The Promissory Note - Fire Truck was issued in 1999 to refinance a note for a fire truck. The original amount of the loan was \$74,000, with quarterly payments of \$3,202. The loan matures in the year 2006.

VILLAGE OF JUNCTION CITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

5. DEBT (Continued)

The Promissory Note - EMS Vehicle was issued in 1998 to purchase a new ambulance. The original amount of the loan was \$36,000, with quarterly payments of \$1,398. The loan matures in the year 2006.

The OPWC (Ohio Public Works Commission) Loan - Water Line was issued in 1998 for improvements to the Village water system. The original amount of the loan was \$12,000, with semi-annual payments of \$600. The loan matures in the year 2008.

The Promissory Note - Water Loan was originally issued in 1996 for improvements to the Village water system. The loan was re-financed in 1997 for \$49,000, with quarterly payments of \$1,638. The loan matures in the year 2007.

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

Year ending December 31:	FmHA Bonds	OWDA Loan	OPWC Loan	Fire Truck Loan	EMS Vehicle Loan	OPWC Water Line	Water Loan
2000	\$ 11,482	\$ 21,845	\$ 1,888	\$ 12,808	\$ 5,593	\$ 1,200	\$ 6,551
2001	11,576	21,845	1,888	12,808	5,593	1,200	6,551
2002	11,559	21,845	1,888	12,808	5,593	1,200	6,551
2003	11,535	21,845	1,888	12,808	5,593	1,200	6,551
2004	11,506	21,845	1,888	12,809	5,592	1,200	6,551
Subsequent	<u>311,597</u>	<u>174,760</u>	<u>18,882</u>	<u>22,415</u>	<u>9,787</u>	<u>4,200</u>	<u>52,412</u>
Total	<u>\$ 369,255</u>	<u>\$283,985</u>	<u>\$ 28,322</u>	<u>\$ 86,456</u>	<u>\$ 37,751</u>	<u>\$10,200</u>	<u>\$85,167</u>

6. RETIREMENT SYSTEMS

Some of the Village's employees, as well as the Mayor, Clerk and certain Council Members, 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 health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. All other employees and Council Members of the Village that did not belong to PERS contributed to Social Security and Medicare.

Contribution rates are also prescribed by the Ohio Revised Code. The Village contributed an amount equal to 13.55% of participants' gross salaries. The employer and employee contributions to Social Security were equal to 6.2% of gross salary. The employer and employee contributions to Medicare were equal to 1.45% of gross salary. The Village has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Public officials' liability
- Crime and employee dishonesty
- Vehicle



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

Village of Junction City
Perry County
P.O. Box 105
Junction City, Ohio 43748

To the Village Council:

We have audited the accompanying financial statements of the Village of Junction City, Perry County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated July 18, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 1999-30705-001. We also noted an immaterial instance of noncompliance that we have reported to the management of the Village in a separate letter dated July 18, 2000.

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 management of the Village in a separate letter dated July 18, 2000.

This report is intended for the information and use of the 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, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

July 18, 2000

**VILLAGE OF JUNCTION CITY
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

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

FINDING NUMBER 1999-30705-001

Noncompliance Citation

Ohio Rev. Code § 5705.41(D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon. This Section also provides two "exceptions" to the above requirements:

- a) "Then and Now" Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was appropriated and free of any previous encumbrances, Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.

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

The Village was not obtaining prior certification of available funds prior to incurring obligations.

We recommend the Clerk certify the availability of funds prior to the Village incurring the obligation, and encumber the entire amount of the expenditure at the time the purchase order is approved. If necessary, a "then and now" certificate should be obtained. Additionally, consideration should be given to using blanket purchase orders for recurring monthly expenses.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF JUNCTION CITY

PERRY 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
SEPTEMBER 19, 2000