



**Auditor of State  
Betty Montgomery**



VILLAGE OF MARENGO  
MORROW COUNTY

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Village of Marengo  
Morrow County  
P.O. Box 310  
Marengo, Ohio 43334-0310

To the Village Council:

We have audited the accompanying financial statements of the Village of Marengo, Morrow County, Ohio, (the Village) as of and for the years ended December 31, 2003, and December 31, 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 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 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 accounting principles generally accepted in the United States 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 Marengo, Morrow County, Ohio, as of December 31, 2003, and December 31, 2002, 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 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.

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Village of Marengo  
Morrow County  
Independent Accountants' Report  
Page 2

This report is intended solely for the information and use of 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

July 19, 2004

**VILLAGE OF MARENGO  
MORROW 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$12,760	\$0	\$12,760
Intergovernmental Receipts	18,512	31,738	50,250
Fines, Licenses, and Permits	7,814	0	7,814
Earnings on Investments	386	46	432
	<u>39,472</u>	<u>31,784</u>	<u>71,256</u>
<b>Total Cash Receipts</b>			
	<u>39,472</u>	<u>31,784</u>	<u>71,256</u>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	4,788	0	4,788
Basic Utility Services	4,489	0	4,489
General Government	19,861	13,637	33,498
	<u>29,138</u>	<u>13,637</u>	<u>42,775</u>
<b>Total Cash Disbursements</b>			
	<u>29,138</u>	<u>13,637</u>	<u>42,775</u>
<b>Total Receipts Over Disbursements</b>	<u>10,334</u>	<u>18,147</u>	<u>28,481</u>
<b>Other Financing Receipts</b>			
Other Financing Sources	<u>12,785</u>	<u>0</u>	<u>12,785</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements</b>	<u>23,119</u>	<u>18,147</u>	<u>41,266</u>
<b>Fund Cash Balances, January 1</b>	<u>75,151</u>	<u>9,799</u>	<u>84,950</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$98,270</u></u>	<u><u>\$27,946</u></u>	<u><u>\$126,216</u></u>
<b>Reserves for Encumbrances, December 31</b>	<u><u>\$156</u></u>	<u><u>\$0</u></u>	<u><u>\$156</u></u>

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

**VILLAGE OF MARENGO  
MORROW COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE - PROPRIETARY FUND TYPE -  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$82,916
	82,916
Total Operating Cash Receipts	82,916
<b>Operating Cash Disbursements:</b>	
Personal Services	19,800
Fringe Benefits	2,577
Contractual Services	6,174
Supplies and Materials	6,216
	34,767
Total Operating Cash Disbursements	34,767
Operating Income	48,149
<b>Non-Operating Cash Receipts/(Disbursements):</b>	
Special Assessments	8,170
Redemption of Principal	(13,401)
Interest and Other Fiscal Charges	(26,252)
	(31,483)
Total Non-Operating Cash Receipts/(Disbursements):	(31,483)
Net Receipts Over Disbursements	16,666
Fund Cash Balance, January 1	64,918
<b>Fund Cash Balance, December 31</b>	<b>\$81,584</b>
Reserve for Encumbrances, December 31	\$1,071

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



**VILLAGE OF MARENGO  
MORROW 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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$14,277	\$2,432	\$16,709
Intergovernmental Receipts	18,141	28,756	46,897
Fines, Licenses, and Permits	8,002	0	8,002
Earnings on Investments	346	0	346
Miscellaneous	534	66	600
	<u>41,300</u>	<u>31,254</u>	<u>72,554</u>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	5,631	0	5,631
Public Health Services	100	0	100
Basic Utility Services	4,280	0	4,280
General Government	46,483	66,250	112,733
	<u>56,494</u>	<u>66,250</u>	<u>122,744</u>
Total Receipts (Under) Disbursements	<u>(15,194)</u>	<u>(34,996)</u>	<u>(50,190)</u>
<b>Other Financing Receipts and (Disbursements):</b>			
Other Financing Sources	19,147	0	19,147
Transfers-In	0	11,995	11,995
Transfers-Out	(11,995)	0	(11,995)
	<u>7,152</u>	<u>11,995</u>	<u>19,147</u>
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	(8,042)	(23,001)	(31,043)
Fund Cash Balances, January 1	<u>83,193</u>	<u>32,800</u>	<u>115,993</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$75,151</u></u></b>	<b><u><u>\$9,799</u></u></b>	<b><u><u>\$84,950</u></u></b>

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

**VILLAGE OF MARENGO  
MORROW COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE - PROPRIETARY FUND TYPE -  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$79,760
Miscellaneous	9,018
	<b>88,778</b>
<b>Operating Cash Disbursements:</b>	
Personal Services	19,777
Fringe Benefits	4,027
Contractual Services	7,927
Supplies and Materials	10,556
	<b>42,287</b>
Operating Income:	<b>46,491</b>
<b>Non-Operating Cash Receipts/(Disbursements):</b>	
Special Assessments	9,300
Redemption of Principal	(12,466)
Interest and Other Fiscal Charges	(27,247)
	<b>(30,413)</b>
Net Receipts Over Disbursements	16,078
Fund Cash Balances, January 1	48,840
<b>Fund Cash Balances, December 31</b>	<b>\$64,918</b>

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

**VILLAGE OF MARENGO  
MORROW 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 Marengo, Morrow 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. The Village provides sewer utilities. The Village contracts with the Morrow County Sheriff's department to provide security of persons and property.

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. Fund Accounting**

The Village uses fund accounting to segregate cash that is 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 Fund:

*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 Fund**

This fund accounts 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 Fund:

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

**VILLAGE OF MARENGO  
MORROW COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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. 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.

**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 2003 and 2002 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.

**2. EQUITY IN POOLED CASH**

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

	<u>2003</u>	<u>2002</u>
Demand deposits	<u>\$207,800</u>	<u>\$149,868</u>

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

**VILLAGE OF MARENGO  
MORROW COUNTY**

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

**3. BUDGETARY ACTIVITY**

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

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$40,687	\$52,257	\$11,570
Special Revenue	35,797	31,784	(4,013)
Enterprise	75,000	91,086	16,086
Total	\$151,484	\$175,127	\$23,643

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$117,161	\$29,294	\$87,867
Special Revenue	44,088	13,637	30,451
Enterprise	100,265	75,491	24,774
Total	\$261,514	\$118,422	\$143,092

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$39,821	\$60,447	\$20,626
Special Revenue	24,904	43,249	18,345
Enterprise	75,000	98,078	23,078
Total	\$139,725	\$201,774	\$62,049

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$114,322	\$68,489	\$45,833
Special Revenue	60,295	66,250	(5,955)
Enterprise	103,000	82,000	21,000
Total	\$277,617	\$216,739	\$60,878

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Special Revenue Fire fund by \$5,955 for the year ended December 31, 2002.

**VILLAGE OF MARENGO  
MORROW COUNTY**

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

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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.

**5. DEBT**

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$336,619	7.50%
Total	\$336,619	

The Ohio Water Development Authority (OWDA) loan relates to a sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA loaned \$442,007 to the Village for this project. The loan will be repaid in semiannual installments including interest, over 25 years. The loan is collateralized by sewer receipts. The Village has agreed to set sewer rates sufficient to cover OWDA debt service requirements.

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

	OWDA Loan
Year ending December 31:	
2004	\$39,653
2005	39,653
2006	39,653
2007	39,653
2008	39,653
2009 – 2017	356,877
Total	\$555,142

**VILLAGE OF MARENGO  
MORROW COUNTY**

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

**6. RETIREMENT SYSTEM AND SOCIAL SECURITY**

Certain Village employees participate in Social Security. Those employees contributed 6.2% of their gross salaries. The Village also contributed 6.2% of participant's gross salaries. The Village has paid all contributions required through December 31, 2003.

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

Contribution rates for PERS 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;
- Vehicles; and
- Errors and omissions.

**8. RELATED PARTY TRANSACTIONS**

The Village Mayor is the owner of the local hardware store from which the Village purchases supplies and materials. The Village paid \$3,465 for supplies and materials in 2003 and \$1,363 in 2002. Also, a Village council member is the owner of a local propane company from which the Village purchases propane. The Village paid \$828 for propane from this company in 2003 and \$1,158 in 2002.

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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 Marengo  
Morrow County  
P.O. Box 310  
Marengo, Ohio 43334-0310

To the Village Council:

We have audited the financial statements of the Village of Marengo, Morrow County, Ohio, (the Village) as of and for the years ended December 31, 2003, and December 31, 2002, and have issued our report thereon dated July 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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2003-001 through 2003-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated July 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 material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated July 19, 2004.

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Village of Marengo  
Morrow 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 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

July 19, 2004

VILLAGE OF MARENGO  
MORROW 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

**Certification of Expenditures**

Ohio Rev. Code Section 5705.41(D), states no contracts or orders involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the contract or order 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. 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 requirement:

a. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the 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 \$1,000, the Clerk may authorize it to be paid without the affirmation of the Council, if such expenditure is otherwise valid. Effective April 7, 2003, the law increased this amount to \$3,000.

Forty percent of the transactions tested were not certified by the Clerk/Treasurer at the time the commitment was incurred and neither of the exceptions provided for were used. To improve controls over disbursements, we recommend that all disbursements receive certification of the Clerk/Treasurer that the funds are or will be available.

FINDING NUMBER 2003-002

**Expenditures in Excess of Appropriations**

Ohio Rev. Code Section 5705.41(B) states in part that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated against an appropriate fund. Furthermore, expenditures may not exceed appropriations at the legal level of control. The legal level of control is defined as the level in which appropriations are approved by the Village Council.

Expenditures exceeded appropriations at the object level, which is the legal level of control, in the following fund:

<u>Date</u>	<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
12/31/02	C2-5-C-240 - Fire	\$12,023	\$17,978	(\$5,955)

We recommend the Clerk/Treasurer and the Village Council monitor budget vs. actual reports throughout the year to ensure expenditures do not exceed appropriations at the legal level of control. In order to keep expenditures within appropriated amounts, the Village Council may amend the annual appropriation measure by approving supplemental appropriations or by transferring appropriations from one line item to another. We also recommend the Clerk/Treasurer not pay expenditures that exceed appropriations unless the appropriations are properly amended.

**VILLAGE OF MARENGO  
MORROW COUNTY**  
**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER 2003-003</b>
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**Prevailing Wages**

Ohio Rev. Code Sections 4115.04 and 4115.05 require a public authority to obtain the prevailing wages in its area before covered contracts are bid, and then again when the contract is awarded, if the award is made more than 90 days after the original prevailing wage is determined. Such schedule of wages shall be attached to and made part of the specifications for the work, and shall be printed on the bidding blanks where the work is done by contract. For 2002, covered contracts include, in part, any reconstruction, enlargement, alteration or repair of a public improvement where the estimated project cost is \$18,764 or greater. (The amounts are adjusted biennially.)

The Village did not obtain the prevailing wages and subsequently require its contractor to pay the prevailing wages for its 2002 road contract. The contractor was paid \$24,320 from the General Fund.

We recommend the Village obtain the prevailing wage at the inception of the contract and subsequently ensure its contractors pay the prevailing wage for its road contracts.

**VILLAGE OF MARENGO  
MORROW COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2001-30659-001	ORC 4115.04 – Prevailing Wage	No	Not Corrected. Finding repeated in current period.
2001-30659-002	ORC 5705.09 – Revenue Posting	No	Partially Corrected. A management letter citation will be issued for this non-compliance in the current period





**Auditor of State  
Betty Montgomery**

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**VILLAGE OF MARENGO**

**MORROW COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 26, 2004**