



**Auditor of State
Betty Montgomery**

**VILLAGE OF PAYNE
PAULDING COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Payne
Paulding County
131 S. Main Street, P.O. Box 58
Payne, Ohio 45880-0058

To the Village Council:

We have audited the accompanying financial statements of the Village of Payne, Paulding County, (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. 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 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 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 finance 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

August 20, 2004

**VILLAGE OF PAYNE
PAULDING 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>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 60,873	\$ 70,184	\$ 131,057
Intergovernmental Receipts	228,114	122,402	350,516
Charges for Services		67,349	67,349
Fines, Licenses, and Permits	2,390	125	2,515
Earnings on Investments	2,271	115	2,386
Miscellaneous	9,428	2,856	12,284
Total Cash Receipts	<u>303,076</u>	<u>263,031</u>	<u>566,107</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	280	182,791	183,071
Public Health Services	2,294		2,294
Leisure Time Activities	2,148		2,148
Transportation	386	45,379	45,765
General Government	83,183		83,183
Capital Outlay	21,974	22,383	44,357
Total Cash Disbursements	<u>110,265</u>	<u>250,553</u>	<u>360,818</u>
Total Cash Receipts Over Cash Disbursements	<u>192,811</u>	<u>12,478</u>	<u>205,289</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		46,000	46,000
Transfers-Out	(162,000)		(162,000)
Total Other Financing Receipts/(Disbursements)	<u>(162,000)</u>	<u>46,000</u>	<u>(116,000)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	30,811	58,478	89,289
Fund Cash Balances, January 1	<u>255,317</u>	<u>97,721</u>	<u>353,038</u>
Fund Cash Balances, December 31	<u>\$ 286,128</u>	<u>\$ 156,199</u>	<u>\$ 442,327</u>
Reserves for Encumbrances, December 31	<u>\$ 1,042</u>	<u>\$ 5,360</u>	<u>\$ 6,402</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**VILLAGE OF PAYNE
PAULDING COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 276,291
Operating Cash Disbursements:	
Personal Services	67,973
Contractual Services	88,999
Supplies and Materials	70,904
Capital Outlay	27,096
Total Operating Cash Disbursements	254,972
Operating Income	21,319
Non-Operating Cash Disbursements:	
Debt Service	144,167
Excess of Cash Disbursements Over Cash Receipts Before Interfund Transfers	(122,848)
Transfers-In	116,000
Net Disbursements Over Receipts	(6,848)
Fund Cash Balances, January 1	77,906
Fund Cash Balances, December 31	\$ 71,058
Reserve for Encumbrances, December 31	\$ 5,581

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**VILLAGE OF PAYNE
PAULDING 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	\$ 41,087	\$ 67,289	\$ 108,376
Intergovernmental Receipts	78,356	78,567	156,923
Charges for Services		51,872	51,872
Fines, Licenses, and Permits	5,735		5,735
Earnings on Investments	3,437	184	3,621
Miscellaneous	11,876	1,991	13,867
Total Cash Receipts	<u>140,491</u>	<u>199,903</u>	<u>340,394</u>
Cash Disbursements:			
Current:			
Security of Persons and Property		159,510	159,510
Public Health Services	1,631		1,631
Leisure Time Activities	8,618		8,618
Transportation		46,392	46,392
General Government	78,860		78,860
Capital Outlay	1,287	26,115	27,402
Total Cash Disbursements	<u>90,396</u>	<u>232,017</u>	<u>322,413</u>
Total Cash Receipts Over/ (Under) Cash Disbursements	<u>50,095</u>	<u>(32,114)</u>	<u>17,981</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		25,000	25,000
Transfers-Out	(25,000)		(25,000)
Total Other Financing Receipts/(Disbursements)	<u>(25,000)</u>	<u>25,000</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	25,095	(7,114)	17,981
Fund Cash Balances, January 1	<u>230,222</u>	<u>104,835</u>	<u>335,057</u>
Fund Cash Balances, December 31	<u>\$ 255,317</u>	<u>\$ 97,721</u>	<u>\$ 353,038</u>
Reserves for Encumbrances, December 31	<u>\$ 560</u>	<u>\$ 11,497</u>	<u>\$ 12,057</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**VILLAGE OF PAYNE
PAULDING COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 272,644
Miscellaneous	1,525
	274,169
Operating Cash Disbursements:	
Personal Services	66,253
Contractual Services	85,608
Supplies and Materials	73,307
Capital Outlay	18,246
	243,414
Total Operating Cash Disbursements	243,414
Operating Income	30,755
Non-Operating Cash Disbursements:	
Debt Service	28,789
Net Receipts Over Disbursements	1,966
Fund Cash Balances, January 1	75,940
Fund Cash Balances, December 31	\$ 77,906
Reserve for Encumbrances, December 31	\$ 7,780

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**VILLAGE OF PAYNE
PAULDING COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Payne, Paulding 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 and sewer utilities, refuse collection services, police, fire protection and emergency medical services and park operations (leisure time activities).

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 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.

**VILLAGE OF PAYNE
PAULDING COUNTY**

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

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.

Emergency Medical Services Fund – This fund receives revenue from property taxes and charges for services to provide emergency medical services to residents of the Village.

Fire Equipment and Maintenance Levy Fund – This fund receives revenue from property taxes to provide fire protection to residents of the Village. Charges for services revenue is received from Benton and Harrison Township through annual contracts to provide fire protection services to their residents.

Policy Levy Fund – This fund receives revenue from property taxes to provide police protection to residents of the Village. The Police Levy Fund is not self – supporting and is supplemented by the General Fund.

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.

Refuse Fund – This fund receives charges for services form residents to cover the cost of providing refuse services.

**VILLAGE OF PAYNE
PAULDING COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2003
(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 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.

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.

F. 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.

**VILLAGE OF PAYNE
PAULDING COUNTY**

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

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:

	2003	2002
Demand deposits	\$ 513,235	\$ 430,794
Cash on hand	150	150
Total cash and investments	\$ 513,385	\$ 430,944

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

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	\$ 303,076	\$ 303,076	-
Special Revenue	309,031	309,031	-
Enterprise	392,291	392,291	-
Total	\$ 1,004,398	\$ 1,004,398	\$ -

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 314,050	\$ 273,307	\$ 40,743
Special Revenue	345,572	255,913	89,659
Enterprise	643,380	404,720	238,660
Total	\$ 1,303,002	\$ 933,940	\$ 369,062

**VILLAGE OF PAYNE
PAULDING COUNTY**

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

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 140,491	\$ 140,491	\$ -
Special Revenue	224,903	224,903	-
Enterprise	274,169	274,169	-
Total	<u>\$ 639,563</u>	<u>\$ 639,563</u>	<u>\$ -</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 163,839	\$ 115,956	\$ 47,883
Special Revenue	263,678	243,514	20,164
Enterprise	395,893	279,983	115,910
Total	<u>\$ 823,410</u>	<u>\$ 639,453</u>	<u>\$ 183,957</u>

Contrary to Ohio law, fund appropriations exceeded amounts available for expenditures (estimated resources) in the Water fund by \$216,760 in 2003 and \$66,260 in 2002 and the Permissive Motor Vehicle License Tax fund by \$11,454 in 2003.

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.

**VILLAGE OF PAYNE
PAULDING COUNTY**

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

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
Water Tower Note	\$ 204,575	4.75%

The Water Tower Notes was issued as a \$400,000 line of credit to construct a new water tower and remove the old water tower. As of December 31, 2003, \$385,000 had been drawn, the old water tower had been removed and a new water tower and some water lines had been constructed.

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

Year ending December 31:	Water Tower Note
2004	\$ 25,027
2005	25,026
2006	25,027
2007	25,026
2008	25,027
2009 - 2013	125,133
2014	17,639
Total	\$ 267,905

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**VILLAGE OF PAYNE
PAULDING COUNTY**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, OP&F participants contributed 10 percent of their wages. The Village contributed an amount equal to 19.5 percent of police participant wages. Members of OPERS contributed 8.5 percent of their wages. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2003.

7. RISK POOL MEMBERSHIP

The Village belongs to the Ohio Government Risk Management Plan (the Plan), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 500 Ohio governments (Members).

Pursuant to § 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine, and other coverages, modified for each Member's needs. The Plan pays judgments, settlements, and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures with A-VII or better rated carriers, except for a 5 percent portion the Plan retains. With policies effective September 1, 2003 and after, the Plan pays the lesser of 5 percent or \$25,000 for casualty losses up to the coverage limit and the lesser of 5 percent or \$50,000 for property losses up to the coverage limit. The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

The Plan's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

	2003	2002
Assets	\$ 5,402,167	\$ 5,584,592
Liabilities	(1,871,123)	(2,441,793)
Members' Equity	\$ 3,531,044	\$ 3,142,799

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

**VILLAGE OF PAYNE
PAULDING COUNTY**

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

8. CONTINGENT LIABILITIES

The Village is a defendant in a lawsuit. The outcome of this suit is not presently determinable. Management is unable to determine the effect, if any, upon the financial statements.

9. CONTRACTUAL COMMITMENTS

The Village had two outstanding commitments at December 31, 2003 in the amounts of \$36,800 for the replacement of iron filters at the water treatment plant and \$111,822 for the replacement of a waterline on West Street and Fox avenue.



**Auditor of State
Betty Montgomery**

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

Village of Payne
Paulding County
131 S. Main Street, P.O. Box 58
Payne, Ohio 45880-0058

To the Village Council:

We have audited the accompanying financial statements of the Village of Payne, Paulding County, (the Village) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 20, 2004. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of finding as item 2003 – 001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated August 20, 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 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 August 20, 2004.

This report is intended solely for the information and use of the finance 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

August 20, 2004

**VILLAGE OF PAYNE
PAULDING 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 Revised Code § 5705.36 (A)(5) states that the total appropriations made during the fiscal year from any fund shall not exceed the amount set forth as available for expenditure from such fund in the official certificate of estimated resources. Fund appropriations exceeded amounts available for expenditures (estimated resources) in the following funds:

	Estimated Resources	Appropriations	Difference
2003			
Permissive Motor Vehicle License Tax Fund	\$ 13,546	\$ 25,000	\$ (11,454)
Water Fund	285,340	502,100	(216,760)
2002			
Water Fund	\$ 173,640	\$ 239,900	\$ (66,260)

At the end of each fiscal year, the Clerk-Treasurer requested the county budget commission to certify reduced estimated resources to match the actual amounts received. No changes were made to appropriations resulting in the above differences. We recommend that when estimated resources are reduced in certain funds the Clerk-Treasurer should also consider requesting Village Council to reduce those funds' appropriations.

**VILLAGE OF PAYNE
PAULDING 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; <i>Explain</i> :
2001-30263-001	Ohio Revised Code § 5705.41(D), failure to certify funds	No	Partially corrected. Reported in the management letter.
2001-30263-002	Ohio Revised Code § 5705.41(B), expenditures exceeded appropriations	Yes	
2001-30263-003	Ohio Revised Code § 5705.10, deficit fund balances	Yes	
2001-30263-004	Ohio Revised Code § 5705.39, appropriations exceeding estimated resources	No	Not corrected. Finding reported in this report as finding 2003-001.



**Auditor of State
Betty Montgomery**

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VILLAGE OF PAYNE

PAULDING 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 7, 2004**