

***VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

Mayor and Members of Council
Village of Mineral City
8503 North High Street
P.O. Box 336
Mineral City, Ohio 44656

We have reviewed the *Report of Independent Accountants* of the Village of Mineral City, Tuscarawas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2005 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Mineral City is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 28, 2007

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**VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY
AUDIT REPORT
For Years Ending December 31, 2006 and 2005**

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AUDIT REPORT
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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Village of Mineral City, Tuscarawas County
Village Hall
Mineral City, Ohio 44629

To the Village Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Mineral City, Tuscarawas County (the Village), as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Village's basic financial statements as listed in the table of contents. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village as of December 31, 2006 and 2005, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund, Street Construction, Maintenance & Repair Fund and Fire Protection Fund thereof for the years then ended in conformity with accounting basis Note 2 describes.

The management's discussion and analysis on pages 3 to 10 is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2007 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, grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Charles E. Harris & Associates, Inc.

June 29, 2007

Village of Mineral City
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

This discussion and analysis Village of Mineral City, Tuscarawas County, Ohio's (Village) financial performance provides an overall review of the Village's financial activities for the years ended December 31, 2006 and 2005, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2006 are as follows:

Net assets increased \$79,295, or 73.66 percent, a significant change from the prior year. The General and Fire Protection funds experienced significant increases in cash balances. The overall increase in cash is due to a higher increase in receipts than disbursements.

The Village's general receipts are primarily property and income taxes; however during 2006 the Village issued a note for \$248,500. Property and income taxes represent 10.2 percent and 6.2 percent respectively, of the total cash received.

Key highlights for 2005 are as follows:

Net assets increased \$14,721 or 15.79%, a significant change from the prior year. The General Fund experienced a significant increase in cash balance.

The Village's general receipts are primarily property and income taxes. These receipts represent 24.2 percent and 15 percent, respectively of the total cash received during the year.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the Government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Village of Mineral City
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Village as a Whole

A six-member council directs the Village. The Village provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

The statement of net assets and the statement of activities reflect how the Village did financially during 2006 and 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Village at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, we divide the Village into one type of activity:

Governmental activities. All of the Village's basic services are reported here, including fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Village of Mineral City
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are put into one category: governmental.

Governmental Funds - All of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major funds are the general fund, street construction, maintenance and repair fund and fire protection fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Village as a Whole

Table 1 provides a summary of the Village's net assets for December 31, 2006 and 2005 on a cash basis:

Net Assets

	Governmental Activities	
	2006	2005
Assets		
Cash and Investments	\$ 186,941	\$ 107,646
Total Assets	186,941	107,646
Net Assets		
Restricted for:		
Other Purposes	100,391	58,596
Debt Service	-	6,657
Unrestricted	86,550	42,393
Total Net Assets	\$ 186,941	\$ 107,646

The Village implemented GASB 34 during 2005. There is no comparative financial results for 2004.

As mentioned previously, net assets of governmental activities increased \$ 79,295 or 73.66 percent during 2006. The primary reasons contributing to the increases in cash balances are as follows:

- Cash receipts continued to outpace cash disbursements; and
- Increased fire contracts.

Village of Mineral City
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

Also, as mentioned previously, net assets of governmental activities increased \$ 14,721 or 15.8 percent during 2005. The primary reasons contributing to the increases in cash balances are as follows:

- The Village's cash receipts are greater than cash disbursements; and
- The Village's fire contract continues to bring in \$20,000 annually.

Table 2 reflects the changes in net assets in 2006 and 2005.

Village of Mineral City
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

(Table 2)
Change in Net Assets

	<u>Governmental Activities 2006</u>	<u>Governmental Activities 2005</u>
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$35,195	\$ 20,693
Operating Grants and Contributions	<u>72,966</u>	<u>80,452</u>
Total Program Receipts	108,161	101,145
General Receipts:		
Property Taxes	55,713	58,670
Income Taxes	33,601	36,489
Grants and Entitlements Not Restricted to Specific Programs	34,275	34,615
Licenses and Fees	3,663	3,706
Proceeds of Loans	248,500	-
Interest	1,589	632
Sale of Fixed Assets	6,000	-
Miscellaneous	<u>54,404</u>	<u>6,910</u>
Total General Receipts	437,745	141,022
Total Receipts	545,906	242,167
Disbursements:		
General Government	48,614	103,286
Public Safety	5,109	7,889
Community Environment	1,400	1,400
Public Health	242	232
Leisure Time Activities	10,242	5,637
Basic Utility Services	26,096	19,756
Transportation	47,016	36,777
Capital Outlay	299,035	29,583
Miscellaneous	12,288	5,573
Debt Service:		
Principal	15,656	15,946
Interest	913	1,367
Total Disbursements	466,611	227,446
Increase (Decrease) in Net Assets	79,295	14,721
Net Assets, January 1	107,646	92,925
Net Assets, December 31	<u>\$186,941</u>	<u>\$107,646</u>

Village of Mineral City
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

Program receipts for 2006 and 2005 represent only 19.8 percent and 41.7 percent, respectively, of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money and fire protection contracts.

General receipts for 2006 and 2005 represent 80.2 percent and 58.3 percent, respectively, of the Village's total receipts, and of these amounts, over 16 percent and 39 percent, respectively are local taxes.

During 2006 proceeds of loans and state and federal grants and entitlements make up the balance of the Village's general receipts (64%) along with other receipts (15%), which are usually insignificant and somewhat unpredictable revenue sources.

During 2005 state and federal grants and entitlements make up the balance of the Village's general receipts (24%) along with other receipts (8%), which are usually insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council, and the Village Clerk, as well as internal services such as payroll and purchasing.

Security of Persons and Property (Public Safety) are the costs of fire protection; and Transportation is the cost of maintaining the roads and bridges. Basic Utility Services is the cost of lighting Village streets and buildings, such as the fire station.

Governmental Activities

If you look at the Statement of Activities on pages 12 and 19, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for Governmental activities are for general government, transportation and capital outlay. During 2006 they accounted for 10 percent, 10 percent and 64 percent of all Governmental disbursements, respectively. During 2005 they accounted for 45 percent, 16 percent and 13 percent of all Governmental disbursements, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service, which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Village of Mineral City
 Tuscarawas County, Ohio
 Management's Discussion and Analysis
 For the Years Ended December 31, 2006 and 2005
 Unaudited

(Table 3)

Governmental Activities

	Total Cost	Net Cost	Total Cost	Net Cost
	Of Services	of Services	Of Services	of Services
	2006	2006	2005	2005
General Government	\$48,614	\$48,594	\$103,286	\$84,660
Security of Persons and Property	5,109	(41,374)	7,889	(12,111)
Public Health Services	242	242	232	232
Leisure Time Activities	10,242	10,242	5,637	5,637
Community Environment	1,400	1,225	1,400	910
Basic Utility Services	26,096	26,096	19,756	19,756
Transportation	47,016	5,533	36,777	(4,052)
Capital Outlay	299,035	279,035	29,583	8,383
Debt Service	16,569	16,569	17,313	17,313
Miscellaneous	12,288	12,288	5,573	5,573
Total Disbursements	\$466,611	\$358,450	\$227,446	\$126,301

During 2006 and 2005 the dependence upon property tax receipts and other general receipts is apparent as over 80 percent and 58 percent of Governmental activities are supported through these general receipts.

The Village's Funds

During 2006 total Governmental funds had receipts of \$545,906 and disbursements of \$466,611. The greatest change within Governmental funds occurred within the General Fund, due to increased fees from fire contracts. The Fire Protection Fund balance increased \$29,895, mostly due to a \$20,000 donation received from Sandy Township, which is included with intergovernmental receipts.

During 2005 total Governmental funds had receipts of \$242,167 and disbursements of \$227,446. The greatest change within Governmental funds occurred within the General Fund, due to cash receipts outpacing cash disbursements.

General Fund Budgeting Highlights

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During 2006, the Village did amend its General Fund budget, but not by a significant amount. Final budgeted receipts were significantly greater than original budgeted receipts due to increased property tax receipts and interest receipts. The final budgeted receipts exceeded actual receipts by \$32,999.

Final disbursements were budgeted at \$179,275 while actual disbursements were \$105,076.

During 2005, the Village did not amend its General Fund budget. Final budgeted receipts were greater than original budgeted receipts due to increased property tax receipts and interest receipts. Local

Village of Mineral City
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

Government assistance was actually less than budgeted. Actual receipts exceeded final budgeted receipts by \$6,943.

Final disbursements were budgeted at \$185,295 while actual disbursements were \$152,111.

Capital Assets and Debt Administration

Capital Assets

The Village does not currently keep track of its capital assets and infrastructure. It is anticipated that the current accounting software will be enhanced to include capital assets and the Village will have the ability in the near future to keep track of its capital assets.

Debt

At December 31, 2006, the Village's outstanding debt totaled \$278,771. For further information regarding the Village's debt, refer to Note 9 to the basic financial statements.

Current Financial Related Activities

The Village of Mineral City is strong financially. As the preceding information shows, the Village heavily depends on its taxpayers. However, financially the future is not without challenges.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Ms. Stacey Spillman, Clerk/Treasurer, Village of Mineral City, Tuscarawas County, Village Hall, Mineral City, Ohio 44656.

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2006

	Governmental Activities
Assets	
Cash and Investments	\$ 186,941
Total Assets	\$ 186,941
Net Assets	
Restricted for:	
Other Purposes	\$ 100,391
Unrestricted	86,550
Total Net Assets	\$ 186,941

See accompanying notes to the financial statements

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended December 31, 2006

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Security of Persons and Property	\$ 5,109	\$ 35,000	\$ 11,483	\$ 41,374
Public Health Services	242	-	-	(242)
Leisure Time Activities	10,242	-	-	(10,242)
Community Environment	1,400	175	-	(1,225)
Basic Utility Services	26,096	-	-	(26,096)
Transportation	47,016	-	41,483	(5,533)
General Government	48,614	20	-	(48,594)
Capital Outlay	299,035	-	20,000	(279,035)
Miscellaneous	12,288	-	-	(12,288)
Debt Service:				
Principal	15,656	-	-	(15,656)
Interest	913	-	-	(913)
Total Governmental Activities	\$ 466,611	\$ 35,195	\$ 72,966	(358,450)
General Receipts:				
Property Taxes				55,713
Municipal Income Taxes				33,601
Grants and Entitlements not Restricted to a Specific Program				34,275
Licenses and Fees				3,663
Earnings on Investments				1,589
Miscellaneous				54,404
Proceeds of Loan				248,500
Sale of Fixed Assets				6,000
Total General Receipts				437,745
Change in Net Assets				79,295
Net Assets Beginning of Year				107,646
Net Assets End of Year				\$ 186,941

See accompanying notes to the financial statements

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
DECEMBER 31, 2006

	<u>General</u>	<u>Street Construction Maint. and Rep.</u>	<u>Fire Protection</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and Investments	\$ 86,550	\$ 14,676	\$ 63,976	\$ 21,739	\$ 186,941
Total Assets	<u>\$ 86,550</u>	<u>\$ 14,676</u>	<u>\$ 63,976</u>	<u>\$ 21,739</u>	<u>\$ 186,941</u>
Fund Balances:					
Unreserved:					
Undesignated, Reported in:					
General Fund	\$ 86,550	\$ -	\$ -	\$ -	\$ 86,550
Special Revenue Funds	-	14,676	63,976	21,739	100,391
Total Fund Balances	<u>\$ 86,550</u>	<u>\$ 14,676</u>	<u>\$ 63,976</u>	<u>\$ 21,739</u>	<u>\$ 186,941</u>

See accompanying notes to the financial statements

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General</u>	<u>Street Construct. Maint. Rep.</u>	<u>Fire Protection</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts					
Property and Other Local Taxes	\$ 36,769	\$ -	\$ 9,944	\$ 9,000	\$ 55,713
Municipal Income Tax	33,601	-	-	-	33,601
Intergovernmental	34,275	32,175	22,345	6,963	95,758
Charges for Services	35,000	-	-	-	35,000
Licenses, Permits and Fees	3,858	-	-	-	3,858
Earnings on Investments	1,351	159	-	79	1,589
Miscellaneous	4,379	2,164	52,752	6,592	65,887
Total Receipts	<u>149,233</u>	<u>34,498</u>	<u>85,041</u>	<u>22,634</u>	<u>291,406</u>
Disbursements					
Current:					
Security of Persons and Property	-	-	5,109	-	5,109
Public Health Services	242	-	-	-	242
Leisure Time Activites	10,242	-	-	-	10,242
Community Environment	1,400	-	-	-	1,400
Basic Utility Services	18,526	-	7,570	-	26,096
Transportation	14,900	28,303	-	3,813	47,016
General Government	47,658	-	956	-	48,614
Capital Outlay	3,937	-	295,098	-	299,035
Debt Service:					
Principal Retirement	-	-	-	15,656	15,656
Interest and Fiscal Charges	-	-	913	-	913
Total Disbursements	<u>96,905</u>	<u>28,303</u>	<u>309,646</u>	<u>19,469</u>	<u>454,323</u>
Receipts over (under) disbursements	52,328	6,195	(224,605)	3,165	(162,917)
Other Financing Sources (Uses)					
Proceeds of Note	-	-	248,500	-	248,500
Sale of fixed Assets	-	-	6,000	-	6,000
Transfers-In	-	6,000	-	-	6,000
Transfers-Out	(6,000)	-	-	-	(6,000)
Other Financing Uses	(2,171)	-	-	(10,117)	(12,288)
Total Other Financing Sources (Uses)	<u>(8,171)</u>	<u>6,000</u>	<u>254,500</u>	<u>(10,117)</u>	<u>242,212</u>
Net Change in Fund Balances	44,157	12,195	29,895	(6,952)	79,295
Fund Balances Beginning of Year	<u>42,393</u>	<u>2,481</u>	<u>34,081</u>	<u>28,691</u>	<u>107,646</u>
Fund Balances End of Year	<u>\$ 86,550</u>	<u>\$ 14,676</u>	<u>\$ 63,976</u>	<u>\$ 21,739</u>	<u>\$ 186,941</u>

See accompanying notes to the financial statements

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 75,685	\$ 75,147	\$ 70,370	\$ (4,777)
Intergovernmental	29,492	29,497	34,275	4,778
Charges for Services	20,000	35,000	35,000	-
Fines, License and Permits	4,100	3,858	3,858	-
Earnings on Investments	500	1,351	1,351	-
Miscellaneous	4,000	37,379	4,379	(33,000)
Total Receipts	<u>133,777</u>	<u>182,232</u>	<u>149,233</u>	<u>(32,999)</u>
Disbursements				
Current:				
Security of Persons and Property	1,000	-	-	-
Public Health Services	300	300	242	58
Leisure Time Activities	16,500	16,500	10,242	6,258
Community Environment	1,400	1,400	1,400	-
Basic Utility Services	17,500	20,000	18,526	1,474
Transportation	18,000	18,000	14,900	3,100
General Government	86,575	85,775	47,658	38,117
Capital Outlay	14,000	9,000	3,937	5,063
Total Disbursements	<u>155,275</u>	<u>150,975</u>	<u>96,905</u>	<u>54,070</u>
Receipts Over (Under) Disbursements	(21,498)	31,257	52,328	21,071
Other financing Sources (Uses)				
Other Financing Uses	(9,000)	(2,300)	(2,171)	129
Transfers Out	(20,000)	(26,000)	(6,000)	20,000
Total Other Financing Sources (Uses)	<u>(29,000)</u>	<u>(28,300)</u>	<u>(8,171)</u>	<u>20,129</u>
Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(50,498)	2,957	44,157	41,200
Fund Balance Beginning of Year	<u>42,393</u>	<u>42,393</u>	<u>42,393</u>	<u>-</u>
Fund Balance End of Year	<u>\$ (8,105)</u>	<u>\$ 45,350</u>	<u>\$ 86,550</u>	<u>\$ 41,200</u>

See accompanying notes to the financial statements

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
STREET CONSTRUCTION MAINTENANCE AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 24,800	\$ 24,800	\$ 32,175	\$ 7,375
Earnings on Investments	75	159	159	-
Miscellaneous	30	30	2,164	2,134
Total Receipts	<u>24,905</u>	<u>24,989</u>	<u>34,498</u>	<u>9,509</u>
Disbursements				
Current:				
Transportation	31,888	31,888	28,303	3,585
Total Disbursements	<u>31,888</u>	<u>31,888</u>	<u>28,303</u>	<u>3,585</u>
Receipts Over (Under) Disbursements	(6,983)	(6,899)	6,195	13,094
Other financing Sources (Uses)				
Transfers In	-	6,000	6,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	<u>(6,983)</u>	<u>(899)</u>	<u>12,195</u>	<u>13,094</u>
Fund Balance Beginning of Year	<u>2,481</u>	<u>2,481</u>	<u>2,481</u>	<u>-</u>
Fund Balance End of Year	<u>\$ (4,502)</u>	<u>\$ 1,582</u>	<u>\$ 14,676</u>	<u>\$ 13,094</u>

See accompanying notes to the financial statements

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
FIRE PROTECTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ -	\$ -	\$ 9,944	\$ 9,944
Intergovernmental	3,090	17,772	22,345	4,573
Miscellaneous	-	28,269	52,752	24,483
Total Receipts	<u>3,090</u>	<u>46,041</u>	<u>85,041</u>	<u>39,000</u>
Disbursements				
Current:				
Security of Persons and Property	5,500	5,500	5,109	391
Basic Utility Services	10,000	10,000	7,570	2,430
General Government	5,500	5,500	956	4,544
Capital Outlay	26,000	37,483	295,098	(257,615)
Debt Service:				
Principal Retirement	7,087	7,087	-	7,087
Interest and Fiscal Charges	913	913	913	-
Total Disbursements	<u>55,000</u>	<u>66,483</u>	<u>309,646</u>	<u>(243,163)</u>
Receipts Over (Under) Disbursements	(51,910)	(20,442)	(224,605)	(204,163)
Other financing Sources (Uses)				
Proceeds of Loan	-	-	248,500	248,500
Sale of Fixed Assets	-	-	6,000	6,000
Transfers In	20,000	20,000	-	(20,000)
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>254,500</u>	<u>234,500</u>
Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(31,910)	(442)	29,895	30,337
Fund Balance Beginning of Year	<u>34,081</u>	<u>34,081</u>	<u>34,081</u>	<u>-</u>
Fund Balance End of Year	<u><u>\$ 2,171</u></u>	<u><u>\$ 33,639</u></u>	<u><u>\$ 63,976</u></u>	<u><u>\$ 30,337</u></u>

See accompanying notes to the financial statements

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2005

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	107,646
Total Assets	\$ 107,646
Net Assets	
Restricted for:	
Debt Service	\$ 6,657
Other Purposes	58,596
Unrestricted	42,393
Total Net Assets	\$ 107,646

See accompanying notes to the financial statements

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended December 31, 2005

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities</u>
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Security of Persons and Property	\$ 7,889	\$ 20,000	\$ -	\$ 12,111
Public Health Services	232	-	-	(232)
Leisure Time Activities	5,637	-	-	(5,637)
Community Environment	1,400	490	-	(910)
Basic Utility Services	19,756	-	-	(19,756)
Transportation	36,777	-	40,829	4,052
General Government	103,286	203	18,423	(84,660)
Capital Outlay	29,583	-	21,200	(8,383)
Miscellaneous	5,573	-	-	(5,573)
Debt Service:				
Principal	15,946	-	-	(15,946)
Interest	1,367	-	-	(1,367)
Total Governmental Activities	<u>\$ 227,446</u>	<u>\$ 20,693</u>	<u>\$ 80,452</u>	<u>(126,301)</u>
General Receipts:				
Property Taxes				58,670
Municipal Income Taxes				36,489
Grants and Entitlements not Restricted to a Specific Program				34,615
Licenses and Fees				3,706
Earnings on Investments				632
Miscellaneous				6,910
Total General Receipts				<u>141,022</u>
Change in Net Assets				14,721
Net Assets Beginning of Year				92,925
Net Assets End of Year				<u>\$ 107,646</u>

See accompanying notes to the financial statements

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
DECEMBER 31, 2005

	<u>General</u>	<u>Street Construction Maint. and Rep.</u>	<u>Fire Protection</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and Investments	\$ 42,393	\$ 2,481	\$ 34,081	\$ 28,691	\$ 107,646
Total Assets	<u>\$ 42,393</u>	<u>\$ 2,481</u>	<u>\$ 34,081</u>	<u>\$ 28,691</u>	<u>\$ 107,646</u>
Fund Balances:					
Unreserved:					
Undesignated, Reported in:					
General Fund	\$ 42,393	\$ -	\$ -	\$ -	\$ 42,393
Special Revenue Funds	-	2,481	34,081	22,034	58,596
Debt Service Funds	-	-	-	6,657	6,657
Total Fund Balances	<u>\$ 42,393</u>	<u>\$ 2,481</u>	<u>\$ 34,081</u>	<u>\$ 28,691</u>	<u>\$ 107,646</u>

See accompanying notes to the financial statements

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>General</u>	<u>Street Construct. Maint. Rep.</u>	<u>Fire Protection</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts					
Property and Other Local Taxes	\$ 39,012	\$ -	\$ 2,658	\$ 17,000	\$ 58,670
Municipal Income Tax	36,488	-	-	-	36,488
Intergovernmental	34,615	27,629	2,524	29,099	93,867
Charges for Services	20,000	-	-	-	20,000
Licenses, Permits and Fees	4,400	-	-	-	4,400
Earnings on Investments	506	74	-	52	632
Miscellaneous	25,797	1,975	63	275	28,110
Total Receipts	<u>160,818</u>	<u>29,678</u>	<u>5,245</u>	<u>46,426</u>	<u>242,167</u>
Disbursements					
Current:					
Security of Persons and Property	2,278	-	5,611	-	7,889
Public Health Services	232	-	-	-	232
Leisure Time Activities	5,637	-	-	-	5,637
Community Environment	1,400	-	-	-	1,400
Basic Utility Services	12,467	-	7,289	-	19,756
Transportation	14,469	4,503	-	17,805	36,777
General Government	66,788	31,094	5,404	-	103,286
Capital Outlay	24,067	-	5,516	-	29,583
Debt Service:					
Principal Retirement	-	-	-	15,946	15,946
Interest and Fiscal Charges	-	-	-	1,367	1,367
Total Disbursements	<u>127,338</u>	<u>35,597</u>	<u>23,820</u>	<u>35,118</u>	<u>221,873</u>
Receipts over (under) disbursements	33,480	(5,919)	(18,575)	11,308	20,294
Other Financing Sources (Uses)					
Transfers In	-	-	20,000	-	20,000
Transfers Out	(20,000)	-	-	-	(20,000)
Other Financing Uses	(4,773)	-	-	(800)	(5,573)
Total Other Financing Sources (Uses)	<u>(24,773)</u>	<u>-</u>	<u>20,000</u>	<u>(800)</u>	<u>(5,573)</u>
Net Change in Fund Balances	8,707	(5,919)	1,425	10,508	14,721
Fund Balances Beginning of Year	<u>33,686</u>	<u>8,400</u>	<u>32,656</u>	<u>18,183</u>	<u>92,925</u>
Fund Balances End of Year	<u>\$ 42,393</u>	<u>\$ 2,481</u>	<u>\$ 34,081</u>	<u>\$ 28,691</u>	<u>\$ 107,646</u>

See accompanying notes to the financial statements

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 74,500	\$ 74,500	\$ 75,500	\$ 1,000
Charges for Services	20,000	20,000	20,000	-
Licenses, Permits and Fees	3,950	3,950	4,400	450
Intergovernmental	28,330	28,330	34,615	6,285
Earnings on Investments	2,000	2,000	506	(1,494)
Miscellaneous	25,095	25,095	25,797	702
Total Receipts	<u>153,875</u>	<u>153,875</u>	<u>160,818</u>	<u>6,943</u>
Disbursements				
Current:				
General Government	84,300	84,300	66,788	17,512
Security of Persons and Property	3,000	3,000	2,278	722
Public Health Services	400	400	232	168
Leisure Time Activities	7,500	7,500	5,637	1,863
Community Environment	1,400	1,400	1,400	-
Basic Utility Services	18,500	18,500	12,467	6,033
Transportation	16,500	16,500	14,469	2,031
Capital Outlay	24,695	24,695	24,067	628
Total Disbursements	<u>156,295</u>	<u>156,295</u>	<u>127,338</u>	<u>28,957</u>
Receipts Over (Under) Disbursements	(2,420)	(2,420)	33,480	35,900
Other Financing Sources (Uses)				
Other Financing Uses	(9,000)	(9,000)	(4,773)	4,227
Transfers out	(20,000)	(20,000)	(20,000)	-
Total Other Financing Sources(Uses)	<u>(29,000)</u>	<u>(29,000)</u>	<u>(24,773)</u>	<u>4,227</u>
Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(31,420)	(31,420)	8,707	40,127
Fund Balance Beginning of Year	<u>33,686</u>	<u>33,686</u>	<u>33,686</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 2,266</u>	<u>\$ 2,266</u>	<u>\$ 42,393</u>	<u>\$ 40,127</u>

See accompanying notes to the financial statements

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
STREET CONSTRUCTION MAINTENANCE AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 28,500	\$ 28,500	\$ 27,629	\$ (871)
Earnings on Investments	85	85	74	(11)
Miscellaneous	-	-	1,975	1,975
Total Receipts	28,585	28,585	29,678	1,093
Disbursements				
Current:				
Transportation	9,506	9,506	4,503	5,003
General Government	31,094	31,094	31,094	-
Total Disbursements	40,600	40,600	35,597	5,003
Receipts Over (Under) Disbursements	(12,015)	(12,015)	(5,919)	6,096
Other financing Sources (Uses)				
Transfers In	7,000	7,000	-	(7,000)
Total Other Financing Sources (Uses)	7,000	7,000	-	(7,000)
Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(5,015)	(5,015)	(5,919)	(904)
Fund Balance Beginning of Year	8,400	8,400	8,400	-
Fund Balance End of Year	\$ 3,385	\$ 3,385	\$ 2,481	\$ (904)

See accompanying notes to the financial statements

VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
FIRE PROTECTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ -	\$ 3,000	\$ 2,658	\$ (342)
Intergovernmental	3,090	-	2,524	2,524
Miscellaneous	-	-	63	63
Total Receipts	3,090	3,000	5,245	2,245
Disbursements				
Current:				
Security of Persons and Property	6,200	6,200	5,611	589
Basic Utility Services	9,000	9,000	7,289	1,711
General Government	5,500	5,500	5,404	96
Capital Outlay	10,500	10,500	5,516	4,984
Total Disbursements	31,200	31,200	23,820	7,380
Receipts Over (Under) Disbursements	(28,110)	(28,200)	(18,575)	9,625
Other financing Sources (Uses)				
Transfers In	15,000	15,000	20,000	5,000
Total Other Financing Sources (Uses)	15,000	15,000	20,000	5,000
Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(13,110)	(13,200)	1,425	14,625
Fund Balance Beginning of Year	30,956	30,956	30,956	-
Prior Year Encumbrances Appropriated	1,700	1,700	1,700	-
Fund Balance End of Year	\$ 19,546	\$ 19,456	\$ 34,081	\$ 14,625

See accompanying notes to the financial statements

Village of Mineral City, Tuscarawas County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 1 – Reporting Entity

The Village of Mineral City, Tuscarawas County, Ohio (the Village), is a body politic and corporate 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 also has an elected Clerk/Treasurer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general governmental services, including park operations (leisure time activities), fire protection, and EMS (Emergency Medical Assistance) services. The Village also contracts its fire services to areas outside the Village.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Village does not apply FASB statements issued after November 30, 1989, to its governmental activities. Following are the more significant of the Village's accounting policies.

A. Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Village has no business-type activities.

Village of Mineral City, Tuscarawas County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

The statement of net assets presents the cash balance of the governmental activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Village's general receipts.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Village are included in one category, governmental.

Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Village's major governmental funds are the General, Street Construction, Maintenance and Repair and Fire Protection funds. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio. The Street Construction, Maintenance and Repair fund is used to account for proceeds restricted to the maintenance and upkeep of Village streets. The Fire Protection Fund is used to account for proceeds restricted to providing fire protection to Village residents and those of Sandy Township.

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Village of Mineral City, Tuscarawas County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village may appropriate.

The appropriation ordinance is the Village's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Village. The legal level of control has been established at the department level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Village.

The appropriation ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village during the year.

E. Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2006, the Village invested in nonnegotiable certificates of deposit. The non-negotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts during 2006 were \$1,351 credited to the General Fund, \$159 to Street Construction Maintenance & Repair Fund, and \$79 to Other Governmental Funds. Interest receipts during 2005 were \$506 credited to the General Fund, \$74 to Street Construction Maintenance & Repair Fund, and \$52 to Other Governmental Funds.

Village of Mineral City, Tuscarawas County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Interfund Receivables/Payables

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

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

K. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits. Beyond annual contributions, pensions are the liability of the State or Federal Programs and are not liabilities of the Village.

L. Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid. The Village had no such transactions in 2005 or 2006.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The amount of \$100,391 out of net assets of \$186,941 is restricted to Other Purposes in year 2006. The amount of \$58,596 and \$6,657 out of net assets of \$107,646 is restricted to Other Purposes and Debt Service, respectively for 2005.

Village of Mineral City, Tuscarawas County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

N. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements. The transfer of \$6,000 from General Fund to Street Construction Maintenance & Repair Fund occurred during year 2006, and \$20,000 from General Fund to Other Special Revenue Fund during year 2005.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General, Street Construction, Maintenance and Repair and Fire Protection funds is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The Village had no encumbrances outstanding at year end (budgetary basis) in 2006 or in 2005.

Note 4 – Deposits and Investments

State statutes classify monies held by the Village into three categories.

Active deposits are public deposits necessary to meet current demands on the Village treasury. Such monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Village has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Village of Mineral City, Tuscarawas County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial credit risk for deposits is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. The securities must be obligations of or guaranteed by the United States and must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities, subject to a repurchase agreement, must exceed the value of the principal by 2% and be marked to market daily.

At December 31, 2006 and 2005, the carrying amount of the Village's deposits was \$186,941 and \$107,646, respectively, as compared to bank balances of \$193,593 and \$111,567, respectively. Of the bank balances at December 31, 2006 and 2005, \$100,000 for both years was on deposit and covered by federal depository insurance and in 2006 and 2005, respectively \$93,593 and \$11,567 were collateralized by a pool of securities maintained by the Village's financial institution but not in the Village's name.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Village of Mineral City, Tuscarawas County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village's investment policy addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2006 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Village operations for the year ended December 31, 2006, was \$5.80 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

	<u>Year Ended</u> <u>December 31, 2006</u>	<u>Year Ended</u> <u>December 31, 2005</u>
Real Property		
Residential and Agricultural	\$ 5,417,880	\$ 5,379,910
Other	455,350	446,680
Public Utility		
Real Property	5,440	5,440
Personal Property	289,170	289,260
Tangible		
Personal Property	29,760	62,896
Total Assessed Value	<u>\$ 6,197,600</u>	<u>\$ 6,184,186</u>

Village of Mineral City, Tuscarawas County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 6 – Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2006 and 2005 the Village contracted with Love Insurance Agency, Inc. as their broker for the following coverage with the respective companies listed below:

<u>Type</u>	<u>Amount</u>	<u>Limit</u>	<u>Company</u>
Legal Liability	\$ 2,000,000	Per Occurrence	Public Entities Pool
Automobile Liability	\$ 2,000,000	Per Occurrence	Public Entities Pool
Wrongful Acts	\$ 2,000,000	Per Occurrence	Public Entities Pool

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

Risk Pool Membership

The Village belongs to the Public Entities Pool of Ohio ("PEP"), a risk sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed members' deductibles.

Casualty Coverage

PEP retains casualty risks up to \$250,000 per occurrence, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$12,000,000, from General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

On January 1, 2005, APEEP began administering a risk-sharing property program. Under the new program, St. Paul Travelers will reinsure specific losses in excess of \$250,000 up to \$600,000,000 per occurrence. APEEP will reinsure members for specific losses in excess of \$100,000 up to \$250,000 per occurrence, subject to annual aggregate loss payment. St. Paul Travelers provides aggregate stop-loss coverage based upon the combined Members' Total Insurable Value (TIV). If the stop-loss is reached by payment of losses between \$100,000 and \$250,000, St. Paul Travelers will then reinsure specific losses in excess of \$100,000 up to their \$600,000,000 per occurrence limit.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Village of Mineral City, Tuscarawas County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Financial Position

PEP's financial statements (audited by other accountants) conform to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31 (latest information available).

	<u>2005</u>	<u>2006</u>
Casualty Coverage		
Assets	\$29,719,675	\$30,997,868
Liabilities	(15,994,168)	(15,875,741)
Net Assets	<u>\$13,725,507</u>	<u>\$15,122,127</u>

	<u>2005</u>	<u>2006</u>
Property Coverage		
Assets	\$4,443,332	\$5,125,326
Liabilities	(1,068,245)	(863,163)
Net Assets	<u>\$3,375,087</u>	<u>\$4,262,163</u>

Note 7 – Defined Benefit Pension Plan

(a) Plan Description

The Village contributes to the Ohio Public Employees Retirement System (OPERS), a cost sharing, multiple-employer public employee retirement system. OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries through three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under this plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings; and the Combined Plan – a cost-sharing multiple-employer defined benefit pension plan. Under this plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan. Chapter 145 of the Ohio Revised Code assigns the Council to establish and amend benefit provisions to the OPERS board of trustees (Board). OPERS issues a stand-alone financial report that includes the financial statements. That report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-466-2085 or 1-800-222-PERS (7377).

(b) Funding Policy

Plan members are required to contribute a percentage of their annual covered salary (9% in 2006 and 8.5% in 2005), and the Council is required to contribute an actuarially determined rate. The employer contribution rate for 2006 was 13.7%, 13.55% for 2005 and 2004 of annual covered payroll. The contribution requirements of plan members and the Village are established and may be amended by the Board. The Village's contributions to OPERS for the years ending December 31, 2006, 2005, and 2004 \$4,012, \$5,057, and \$5,188, respectively, equal to the required contributions for each year. Required employer contributions are equal to 100% of the dollar amount billed to each employer.

Note 8 - Postemployment Benefits

OPERS also provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. As required by state statute, a portion of each employer's contribution to OPERS (see below) is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The contribution rates of 13.7% and 13.55% to the Plan for the years ended December 31, 2006 and 2005, respectively included a portion (4.5% in 2006 and 4% in 2005) that was used to fund healthcare. The Village's contributions for post-employment benefits were approximately \$1,318 and \$1,493 for the years ended December 31, 2006 and 2005, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006 and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

Summary of assumptions

Actuarial Review – The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 2005.

Funding Method – The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Assets Valuation Method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of the unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

Investment Return – The investment assumption rate for 2005 was 6.5%.

Active Employee Total Payroll – An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%.

Health Care – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 6% for the next 9 years. In subsequent years (10 and beyond), health care costs were assumed to increase at 4.0% (the projected wage inflation rate).

OPEBs are advanced funded on an actuarially determined basis. The number of active contributing participants in the Traditional Pension Plan and Combined Plans at December 31, 2005 was 369,214. The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2005 was \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability at December 31, 2005, based on the actuarial cost method used, were \$31.3 billion and \$20.2 billion, respectively.

Village of Mineral City, Tuscarawas County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 9 - Debt

The Village's long-term debt activity for the two years ended December 31, 2006, was as follows:

	Interest Rate	Balance January 1, 2005	Additions	Reductions	Balance December 31, 2006	Due Within One Year
Governmental Activities:						
Fire Truck Note	4.997%	\$ -	\$ 248,500	\$ -	\$ 248,500	\$ 11,644
General Obligation Bonds	5.60%	61,873	-	31,602	30,271	15,135
Total		<u>\$ 61,873</u>	<u>\$ 248,500</u>	<u>31,602</u>	<u>\$ 278,771</u>	<u>\$ 26,779</u>

The general obligation bonds relates to the purchase of two fire trucks. The bond is being repaid in semiannual installments, including interest, over 10 years.

The fire truck note also relates to the purchase of a fire truck. The term of the note is 15 years. The note is collateralized by the fire truck.

The following is a summary of the Village's future annual debt service requirements:

	G.O. Bonds	Fire Truck Note
2007	\$ 17,249	\$ 23,924
2008	17,224	23,924
2009	-	23,924
2010	-	23,924
2011	-	23,924
2012-2016	-	119,620
2017-2021	-	119,620
Total	<u>\$ 34,473</u>	<u>\$ 358,860</u>

Note 10 – Contingent Liabilities/ Subsequent Events

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Management believes there are no pending claims or lawsuits.

Note 11 – Joint Ventures

The Mineral – Sandy Ambulance District (District) is a jointly governed organization. The District is a joint ambulance district formed under Ohio Rev. Code Section 505.71. This District provides ambulatory services to the Village of Mineral City and to Precinct 1 of Sandy Village. A two member Board of Directors, comprised of one member from the Village of Mineral City and one member from Sandy Village, Precinct 1, governs the District. The Board secures a clerk to maintain board records and to establish and maintain the financial records of the District. The District is supported financially by a tax levy approved by the voters along with all finances collected from private insurance individuals and third party payers such as Medicare, Medicaid, and private insurance carriers. The Board exercises total

Village of Mineral City, Tuscarawas County
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For the Years Ended December 31, 2006 and 2005

authority for the day-to-day operations of the District. The Board may levy taxes and issue bonds and other evidence of indebtedness. The District may purchase, lease, maintain, and use all materials, equipment, vehicles, buildings, and land necessary to perform its duties. The Village has no financial responsibility for any of the District's liabilities. Complete financial statements can be obtained from the Mineral – Sandy Ambulance District, Tuscarawas County, Ohio.

Note 12 – Change in Accounting Principle

For 2005 and 2006, the District has implemented GASB Statement No. 40 “Deposit and Investment Risk Disclosures”. GASB Statement No. 40 establishes disclosure requirements for investment credit risks, interest rate risk, deposit custodial risk and foreign currency risk.

The implementation of GASB Statement No. 40 did not affect the presentation of the financial statements of the Village.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Village of Mineral City
Tuscarawas County
Village Hall
Mineral City, Ohio 44629

To the Village Council:

We have audited the financial statements of the Village of Mineral City, Tuscarawas County (the Village) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated June 29, 2007, wherein we noted the Village followed the cash basis of accounting, a comprehensive accounting basis other than accounting principles generally accepted in the United States of America. 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.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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, grants agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the Village in a separate letter dated June 29, 2007.

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

Charles E. Harris & Associates, Inc.

June 29, 2007

**VILLAGE OF MINERAL CITY
TUSCARAWAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006 AND 2005**

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2004-VMCTC-001	Contrary to Ohio Rev. Code § 5705.41(B) , Village had budgetary expenditures in excess of approved appropriations.	No	Repeated as a Management Letter citation.
2004-VMCTC-002	The Village did not follow Ohio Rev. Code § 5705.40 , amending the annual appropriation measure.	Yes	



Mary Taylor, CPA
Auditor of State

VILLAGE OF MINERAL CITY

TUSCARAWAS 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 11, 2007**