VILLAGE OF EDGERTON
WILLIAMS COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2005 & 2006

Mary Taylor, CPA
Auditor of State

VILLAGE OF EDGERTON
WILLIAMS COUNTY

TABLE OF CONTENTS

This page intentionally left blank.

Mary Taylor, CPA
Auditor of State

Village of Edgerton
Williams County
103 South Michigan Avenue
P.O. Box 609
Edgerton, Ohio 43517-0609

To the Mayor, Administrator, and Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 22, 2007

One Government Center / Room 1420 / Toledo, OH 43604-2246
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484
www.auditor.state.oh.us

This page intentionally left blank.

Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Edgerton
Williams County
103 South Michigan Avenue
P.O. Box 609
Edgerton, Ohio 43517-0609

To the Mayor and Village Council:

We have audited the accompanying financial statements of the Village of Edgerton, Williams County, (the Village) as of and for the years ended December 31, 2006 and 2005. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2006 and 2005, or its changes in financial position and cash flows where applicable for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Edgerton, Williams County, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 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 and 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 the 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 22, 2007

VILLAGE OF EDGERTON
WILLIAMS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES ALL GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2006

	Governmental Fund Types			
	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts:				
Property and Local Taxes	$207,229	$56,015		$263,244
Municipal Income Tax	352,429		$189,770	542,199
Intergovernmental	213,271	126,250		339,521
Charges for Services	38,761			38,761
Fines, Licenses and Permits	5,244	180		5,424
Earnings on Investments	40,328	14,766		55,094
Miscellaneous	18,336	6,076		24,412
Total Cash Receipts	875,598	203,287	189,770	1,268,655
Cash Disbursements:				
Current:				
Security of Persons and Property	425,182			425,182
Public Health Services	10,556			10,556
Leisure Time Activities	61,453			61,453
Transportation	118,766	93,862		212,628
General Government	256,828	1,440		258,268
Capital Outlay		210,403	133,303	343,706
Total Cash Disbursements	872,785	305,705	133,303	1,311,793
Total Cash Receipts Over/(Under) Cash Disbursements	2,813	(102,418)	56,467	(43,138)
Other Financing Receipts / (Disbursements):				
Transfers-Out	(106,744)			(106,744)
Other Financing Sources	6,551		7,955	14,506
Other Financing Uses		(2,013)		(2,013)
Total Other Financing Receipts / (Disbursements)	(100,193)	(2,013)	7,955	(94,251)
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(97,380)	(104,431)	64,422	(137,389)
Fund Cash Balances, January 1	148,474	342,072	201,209	691,755
Fund Cash Balances, December 31	**$51,094**	**$237,641**	**$265,631**	**$554,366**

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

VILLAGE OF EDGERTON
WILLIAMS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPE FOR THE YEAR ENDED DECEMBER 31, 2006

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	$2,914,563
Miscellaneous	49,056
Total Operating Cash Receipts	2,963,619
Operating Cash Disbursements:	
Personal Services	446,770
Contractual Services	1,703,262
Supplies and Materials	201,033
Total Operating Cash Disbursements	2,351,065
Operating Income	612,554
Non-Operating Cash Receipts:	
Property and Other Local Taxes	7,020
Sale of Notes	721,000
Other Non-Operating Cash Receipts	12,400
Total Non-Operating Cash Receipts	740,420
Non-Operating Cash Disbursements:	
Capital Outlay	248,284
Redemption of Principal	901,000
Interest and Other Fiscal Charges	88,321
Other Non-Operating Cash Disbursements	12,209
Total Non-Operating Cash Disbursements	1,249,814
Excess of Cash Receipts Over Cash Disbursements Before Interfund Transfers	103,160
Transfers-In	106,744
Net Cash Receipts Over Cash Disbursements	209,904
Fund Cash Balances, January 1	1,078,652
Fund Cash Balances, December 31	**$1,288,556**

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

VILLAGE OF EDGERTON
WILLIAMS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES ALL GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2005

	Governmental Fund Types			
	General	**Special Revenue**	**Capital Projects**	**Totals (Memorandum Only)**
Cash Receipts:				
Property and Local Taxes	$208,226	$59,937		$268,163
Municipal Income Tax	365,295		$196,608	561,903
Intergovernmental	358,518	97,792	52,000	508,310
Charges for Services	42,474			42,474
Fines, Licenses and Permits	6,569	650		7,219
Earnings on Investments	31,583	11,562		43,145
Miscellaneous	6,071	7,451		13,522
Total Cash Receipts	1,018,736	177,392	248,608	1,444,736
Cash Disbursements:				
Current:				
Security of Persons and Property	341,055			341,055
Public Health Services	10,044			10,044
Leisure Time Activities	56,961			56,961
Transportation	122,072	81,160		203,232
General Government	240,081	1,418		241,499
Capital Outlay		19,750	158,347	178,097
Total Cash Disbursements	770,213	102,328	158,347	1,030,888
Total Cash Receipts Over Cash Disbursements	248,523	75,064	90,261	413,848
Other Financing Receipts / (Disbursements):				
Transfers-Out	(114,007)			(114,007)
Other Financing Sources	8,510		3,325	11,835
Other Financing Uses	(970)	(2,000)		(2,970)
Total Other Financing Receipts / (Disbursements)	(106,467)	(2,000)	3,325	(105,142)
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	142,056	73,064	93,586	308,706
Fund Cash Balances, January 1	6,418	269,008	107,623	383,049
Fund Cash Balances, December 31	**$148,474**	**$342,072**	**$201,209**	**$691,755**

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

VILLAGE OF EDGERTON
WILLIAMS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPE FOR THE YEAR ENDED DECEMBER 31, 2005

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	$2,619,876
Miscellaneous	44,070
Total Operating Cash Receipts	2,663,946
Operating Cash Disbursements:	
Personal Services	457,927
Contractual Services	1,862,326
Supplies and Materials	154,220
Total Operating Cash Disbursements	2,474,473
Operating Income	189,473
Non-Operating Cash Receipts:	
Property and Other Local Taxes	7,104
Sale of Notes	761,000
Other Non-Operating Cash Receipts	5,620
Total Non-Operating Cash Receipts	773,724
Non-Operating Cash Disbursements:	
Capital Outlay	139,509
Redemption of Principal	889,000
Interest and Other Fiscal Charges	64,347
Other Non-Operating Cash Disbursements	11,360
Total Non-Operating Cash Disbursements	1,104,216
Excess of Cash Receipts Under Cash Disbursements Before Interfund Transfers	(141,019)
Transfers-In	281,029
Transfers-Out	(167,022)
Net Cash Receipts Under Cash Disbursements	(27,012)
Fund Cash Balances, January 1	1,105,664
Fund Cash Balances, December 31	**$1,078,652**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Edgerton, Williams County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general governmental services, including electric, water and sewer utilities; park operations; street maintenance; police and fire protection; and general village maintenance.

The Village participates in four joint ventures. Notes 10, 11, 12, and 13 to the financial statements provides additional information for these entities. These organizations are:

Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)
Ohio Municipal Electric Generation Agency Joint Venture 4 (OMEGA JV4)
Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)
Ohio Municipal Electric Generation Agency Joint Venture 6 (OMEGA JV6)

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Cash and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values certificates of deposit at cost.

D. Fund Accounting

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

1. General Fund

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) 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.

Revolving Loan Fund – This fund has Community Development Block Grant (CDBG) monies which are disbursed to local businesses to provide economic development for the community.

Fire Levy Fund – This fund receives tax monies to help provide fire services to the community.

3. Capital Project Funds

These funds account for receipts restricted for acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

Capital Improvement Fund – This fund receives proceeds from an income tax levy which are used to acquire property and equipment and to construct capital improvements.

4. Enterprise Funds

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Fund:

Electric Fund – This fund receives charges for services from residents to cover electric service costs.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, or object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2006 and 2005 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH

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

	2006	2005
Demand deposits	$512,822	$440,307
Certificates of deposit	1,330,000	1,330,000
Total deposits	1,842,822	1,770,307
Cash on Hand	100	100
Total deposits and cash on hand	1,842,922	1,770,407

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31 follows:

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	$820,600	$882,149	$61,549
Special Revenue	242,150	203,287	(38,863)
Capital Projects	190,000	197,725	7,725
Enterprise	3,705,101	3,810,783	105,682
Total	$4,957,851	$5,093,944	$136,093

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	$972,250	$979,529	($7,279)
Special Revenue	360,500	307,718	52,782
Capital Projects	225,000	133,303	91,697
Enterprise	4,097,000	3,600,879	496,121
Total	$5,654,750	$5,021,429	$633,321

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	$950,000	$1,027,246	$77,246
Special Revenue	168,550	177,392	8,842
Capital Projects	200,000	251,933	51,933
Enterprise	3,350,161	3,718,699	368,538
Total	$4,668,711	$5,175,270	$506,559

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	$950,000	$885,190	$64,810
Special Revenue	207,500	104,328	103,172
Capital Projects	200,000	158,347	41,653
Enterprise	4,044,161	3,745,711	298,450
Total	$5,401,661	$4,893,576	$508,085

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

5. LOCAL INCOME TAX

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

6. LONG TERM DEBT

Debt outstanding at December 31, 2006 was as follows:

	Principal	Interest Rate
Electric System Improvement Loan	$1,780,000	3.75%

The Village entered into a loan agreement with American Municipal Power–Ohio, Inc. (AMP-Ohio) for the amount of $2,400,000 for the purpose of financing the Village's share of the cost of participating in the Ohio Municipal Electric Generation Agency Joint Venture (OMEGA JV2) and making certain improvements to the Village's municipal electric system. The Village is to pay, but only from the revenues of its electric system, the loan made by AMP-Ohio together with interest thereon equal to the rate of interest on the Electric System Improvement Bond Anticipation Notes (the Notes) to be issued by AMP-Ohio in one or more series, or on notes issued to refund the Notes, or on the Electric System Improvement Bonds to be issued by AMP-Ohio in anticipation of which Bonds the Notes are issued.

6. LONG TERM DEBT – (Continued)

On the maturity date of the Notes or refunding notes, the Village will pay to AMP-Ohio all interest due on the Notes or refunding notes plus an amount of principal equal to the amount of principal which would be due in the corresponding year on a loan in the original principal amount of such series, for a term of twenty (20) years, at the interest rate borne by such series of the Notes or refunding notes.

AMP-Ohio will use its best efforts to refinance any remaining principal of the Notes or refunding notes; provided, however, that if AMP-Ohio is unable to refinance the Notes or refunding notes, it shall give the Village thirty (30) days' notice of such inability, and the Village shall pay to AMP-Ohio all amounts necessary to retire the Notes or refunding notes at maturity.

7. SHORT TERM DEBT

The Village's short-term obligation at December 31, 2006 was as follows:

	Principal	Interest Rate
Sanitary Sewer Refunding Bond Anticipation Notes, Series 2006	$721,000	2.80%

The refunding bond anticipation notes were issued for purpose of paying the cost of refunding mortgage revenue bonds originally issued to construct a municipal sanitary sewage collection, treatment and disposal system by constructing interceptor sewers, trunk sewers, lateral sewers, force mains, pumping stations, service connections, and a wastewater treatment facility. The notes are backed by the full faith and credit of the Village of Edgerton. Notes mature on January 25, 2007.

8. RETIREMENT SYSTEMS

The Village's full-time police officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OP&F participants contributed 10% of their wages. For 2006 and 2005, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2006 and 2005, OPERS members contributed 9 and 8.5%, respectively, of their gross salaries and the Village contributed an amount equaling 13.7 and 13.55%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2006.

9. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Commercial Property and General Liability;
- Crime and Fidelity
- Commercial Inland Marine;
- Commercial Auto; and
- Commercial Umbrella Coverage

10. JOINT VENTURE 2

The Village of Edgerton is a Non-Financing Participant and an Owner Participant with an ownership percentage 1.09% and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

Pursuant to the OMEGA JV2 Agreement, the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP-Ohio and to pay or incur the costs of the same in accordance with the JV2 Agreement.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP-Ohio, which acts as the joint venture's agent. During 2001, AMP-Ohio issued $50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of $45,904,712 were contributed to OMEGA JV2. The Village's net investment in OMEGA JV2 was $456,201 at December 31, 2006. Complete financial statements for OMEGA JV2 may be obtained from AMP-Ohio or from the State Auditor's website at www.auditor.state.oh.us.

10. JOINT VENTURE 2 – (Continued)

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2006 are:

Municipality	Percent Ownership	Kw Entitlement	Municipality	Percent Ownership	Kw Entitlement
Hamilton	23.87%	32,000	Grafton	0.79%	1,056
Bowling Green	14.32%	19,198	Brewster	0.75%	1,000
Niles	11.49%	15,400	Monroeville	0.57%	764
Cuyahoga Falls	7.46%	10,000	Milan	0.55%	737
Wadsworth	5.81%	7,784	Oak Harbor	0.55%	737
Painesville	5.22%	7,000	Elmore	0.27%	364
Dover	5.22%	7,000	Jackson Center	0.22%	300
Galion	4.29%	5,753	Napoleon	0.20%	264
Amherst	3.73%	5,000	Lodi	0.16%	218
St. Mary's	2.98%	4,000	Genoa	0.15%	199
Montpelier	2.98%	4,000	Pemberville	0.15%	197
Shelby	1.89%	2,536	Lucas	0.12%	161
Versailles	1.24%	1,660	South Vienna	0.09%	123
Edgerton	1.09%	1,460	Bradner	0.09%	119
Yellow Springs	1.05%	1,408	Woodville	0.06%	81
Oberlin	0.91%	1,217	Haskins	0.05%	73
Pioneer	0.86%	1,158	Arcanum	0.03%	44
Seville	0.79%	1,066	Custar	0.00%	4
	95.20%	127,640		4.80%	6,441

11. JOINT VENTURE 4

The Village is a participant with three subdivisions within the State of Ohio in a joint venture to link the electric systems of the participants and to provide electric transmission service to the Village of Holiday City. The Omega JV-4 was created for that purpose. On dissolution of the joint venture, the net assets of Omega JV-4 will be shared by the participants on a percentage basis. The Omega JV-4 is managed by AMP-Ohio which acts as the joint venture's agent. The participants are obligated by the agreement to remit monthly costs incurred from using electricity generated by the joint venture. The Village's equity interest (3%) in Omega JV-4 was $74,818 at December 31, 2006. Complete financial statements for Omega JV-4 can be obtained from AMP-Ohio at 2600 Airport Drive, Columbus, Ohio 43219.

12. JOINT VENTURE 5

The Village of Edgerton is a Financing Participant with an ownership percentage of .92 %, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

12. JOINT VENTURE 5 – (Continued)

Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP-Ohio.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2006, Edgerton has met its debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP-Ohio, which acts as the joint venture's agent. During 1993 and 2001 AMP-Ohio issued $153,415,000 and $13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of $56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of $116,910,000, which resulted in a savings to the membership of $34,951,833 from the periods 2005 through 2024.

The Village's net investment to date in OMEGA JV5 was $99,389 at December 31, 2006. Complete financial statements for OMEGA JV5 may be obtained from AMP-Ohio or from the State Auditor's website at www.auditor.state.oh.us.

13. JOINT VENTURE 6

The Village of Edgerton is a Financing Participant with an ownership percentage of 1.39%, and shares participation with nine other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 6 (OMEGA JV6). Financing Participants, after consideration of the potential risks and benefits can choose to be Owner Participants or Purchaser Participants. Owner Participants own undivided interests, as tenants in common in the Project in the amount of its Project Share. Purchaser Participants purchase the Project Power associated with its Project Share.

Pursuant to the OMEGA Joint Venture JV6 Agreement (Agreement), the participants agree jointly to plan, acquire, construct, operate and maintain the Project, and hereby agree, to pay jointly for the electric power, energy and other services associated with the Project.

OMEGA JV6 was created to construct four (4) wind turbines near Bowling Green Ohio. Each turbine has a nominal capacity of 1.8 MW and sells electricity from its operations to OMEGA JV6 Participants.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant's Project Share and to Financing Participant's respective obligations first by credit against the Financing Participant's respective obligations. Any other excess funds shall be paid to the Participants in proportion to their respective Project Shares. Under the terms of the Agreement each financing participant is to fix, charge and collect rates, fees, charges, including other available funds, at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2006, Edgerton has met its debt coverage obligation.

The Agreement provides that the failure of any JV6 participant to make any payment due by the due date constitutes a default. In the event of a default and one in which the defaulting Participant failed to cure its default as provided for in the Agreement, the remaining participants would acquire the defaulting Participant's interest in the project and assume responsibility for the associated payments on a pro rata basis up to a maximum amount equal to 25% of such non-defaulting Participant's Project share ("Step Up Power").

OMEGA JV6 is managed by American Municipal Power-Ohio, Inc., which acts as the joint venture's agent. On July 30, 2004 AMP-Ohio issued $9,861,000 adjustable rate bonds that mature on August 15, 2019. The net proceeds of the bond issues were used to construct the OMEGA JV6 Project.

The Village's net investment to date in OMEGA JV6 was $122,179 at December 31, 2006. Complete financial statements for OMEGA JV6 may be obtained from AMP-Ohio or from the State Auditor's website at www.auditor.state.oh.us.

13. JOINT VENTURE 6 – (Continued)

The ten participating subdivisions and their respective ownership shares at December 31, 2006 are:

Participant	KW Amount	% of Financing
Bowling Green	4,100	56.94%
Cuyahoga Falls	1,800	25.00%
Napoleon	300	4.17%
Oberlin	250	3.47%
Wadsworth	250	3.47%
Edgerton	100	1.39%
Elmore	100	1.39%
Montpelier	100	1.39%
Pioneer	100	1.39%
Monroeville	100	1.39%
Total	7,200	100.00%

14. SEGMENT INFORMATION FOR ENTERPRISE FUND

Included in the services provided by the Village financed primarily by user charges are refuse collection, water treatment and distribution, wastewater collection and treatment, electric utility services. The key financial information for the electric utility services the year ended December 31, 2006 and 2005 are indicated below:

	Electric Fund	Electric Substation Fund	Other Enterprise Funds	Total Enterprise Funds
As of December 31, 2006:				
Operating Cash Receipts	$2,334,247		$629,372	$2,963,619
Debt Service	207,013		782,308	989,321
Capital Outlay	209,988		38,296	248,284
Operating Cash Disbursements	1,839,320		511,745	2,351,065
Fund Cash Balances at 12/31/06	948,436	2,193	337,927	1,288,556
Operating Income	494,927		117,627	612,554
Net Receipt over Disbursements	191,689		18,215	209,904

14. SEGMENT INFORMATION FOR ENTERPRISE FUND – (Continued)

	Electric Fund	Electric Substation Fund	Other Enterprise Funds	Total Enterprise Funds
As of December 31, 2005:				
Operating Cash Receipts	$2,045,122		$618,824	$2,663,946
Debt Service	192,384		760,963	953,347
Capital Outlay	71,739		67,770	139,509
Operating Cash Disbursements	1,983,289	5,426	485,758	2,474,473
Fund Cash Balances at 12/31/06	756,748	2,192	319,712	1,078,652
Operating Loss/Income	61,833	(5,425)	133,065	189,473
Net Receipt over Disbursements	(81,180)	(5,425)	59,593	(27,012)

15. COMPLIANCE

The following occurred contrary to Ohio law:

- The Village did not properly certify certain disbursements as required by law.
- The Village made an interfund transfer from the Income Tax – Capital Projects fund to the Sanitary Sewer fund without obtaining the approval of the Tax Commissioner and the Court of Common Pleas.

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village of Edgerton
Williams County
103 South Michigan Avenue
P.O. Box 609
Edgerton, Ohio 43517-0609

To the Mayor and Village Council:

We have audited the financial statements of the Village of Edgerton, Williams County, (the Village) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated October 22, 2007, wherein we noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control 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 audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2006-001 through 2006-006.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be significant deficiencies or material weaknesses. However, we believe the significant deficiencies described above are also material weaknesses.

We also noted certain internal control matters not requiring inclusion in the report that we reported to the Village's management in a separate letter dated October 22, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2006-001 through 2006-002.

We also noted certain noncompliance or other matters not requiring inclusion in the report that we reported to the Village's management in a separate letter dated October 22, 2007.

We intend this report solely for the information and use of the finance committee, Council, and management. We intend it for no one other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 22, 2007

VILLAGE OF EDGERTON
WILLIAMS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005

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

FINDING NUMBER 2006-001

Non-Compliance Citation and Material Weakness

Ohio Revised Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the Clerk–Treasurer is attached thereto. The Clerk-Treasurer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a Clerk–Treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate – If the Clerk-Treasurer can certify that both at the time that the contract or order was made ("then"), and at the time that the Clerk-Treasurer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than $3,000 may be paid by the Clerk-Treasurer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificate – Clerk-Treasurers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Seventy-one (71%) percent of the transactions tested were not certified by the Clerk–Treasurer at the time the commitment was incurred and there was no evidence that the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

FINDING NUMBER 2006-001
(Continued)

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Clerk-Treasurer certify that the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

We recommend the Village certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Clerk–Treasurer should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Clerk-Treasurer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Officials' Response:

Management did not respond to this finding.

FINDING NUMBER 2006-002

Non-Compliance Citation and Material Weakness

Ohio Revised Code § 5705.14 provides that no transfer can be made from one fund of a subdivision to any other fund, by order of the court or otherwise, with certain limited exceptions. The transfers permitted under Ohio Revised Code § 5705.14 require a resolution passed by a two-thirds vote of the members of the taxing authority, except transfers from the general fund, which require a resolution passed by a simple majority. In addition to the transfers permitted under Ohio Revised Code § 5705.14, § 5705.15 and § 5705.16 provide that the taxing authority, with the approval of the Tax Commissioner and the Court of Common Pleas, may transfer from one fund to another.

In 2006, a transfer of $70,762 was made from the Income Tax–Capital Projects fund to the Sanitary Sewer fund in order to help make the sewer debt payments. This transfer was made without the approval of the Tax Commissioner and the Court of Common Pleas. This transfer did not meet any of the exceptions allowable under the Ohio Revised Code.

The accompanying financial statements have been adjusted to transfer the monies back into the proper funds. We recommend that no transfers be made unless prior approval has been obtained in the form of a resolution authorizing the transfers and/or an approval of the Tax Commissioner and the Court of Common Pleas.

Officials' Response:

Management did not respond to this finding.

FINDING NUMBER 2006-003

Material Weakness – Financial Reporting

As a result of the audit procedures performed, the following errors were noted in the financial statements that required audit adjustments.

1. In 2005, Issue II monies of $52,000 were misposted to “Other Financing Sources” instead of “Intergovernmental Revenue.”

2. In 2006, rollback and homestead monies were misposted to the “Taxes” revenue line item and to the Auditor/Treasurer expenditure line item. Total amount of misposting amounted to $2,198.

3. In 2006, there were tangible personal property tax loss reimbursement monies that were misposted to the “Taxes” line item instead of “Intergovernmental Revenue” line item in the Fire Levy fund. Total amount of misposting was $4,544.

4. In 2005 and 2006, the proceeds form the sale of the Sanitary Sewer Bond Anticipation Notes were misposted to the “Charges for Services” and “Sale of Bonds” line items, respectively. An amount of $761,000 in 2005 and $721,000 in 2006 should have been posted to “Sale of Notes.”

5. In 2005 and 2006, there were loan repayments in the UDAG fund ($6,997 and $6,076, respectively) that were not properly posted to the Miscellaneous Revenue line item. In 2005, loan repayments of $453 in the Revolving Loan fund were not properly posted.

Sound financial reporting is the responsibility of the fiscal officer and the governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

To ensure the Village’s financial statements and notes to the statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the statements and notes by the Clerk-Treasurer and Council, to identify and correct errors and omissions. The Clerk-Treasurer should also review the Village Handbook’s chart of accounts to ensure that all accounts are being properly posted to the financial statements.

Officials’ Response:

Management did not respond to this finding.

FINDING NUMBER 2006-004

Material Weakness – Timely Posting of Transactions and Reconciling of Bank Accounts

Strong accounting controls require that receipt and disbursement transactions be posted to the Village’s computer system as they occur. In addition, bank accounts should be accurately reconciled to book balances on a monthly basis. During 2005 and 2006, the Village’s computer postings and bank reconciliations were not performed on a timely basis. There were unreconciled variances between the Village’s bank accounts and the fund balances throughout 2005 and 2006. This was caused by several undetected and unreconciled posting errors that occurred each fiscal year which were never corrected.

In 2005, an audit adjustment of $16,640 was made to reduce the Village’s fund balances in order to reconcile at year end. In 2006, an audit adjustment of $11,655 was made to increase the Village’s fund balances in order to reconcile.

FINDING NUMBER 2006-004
(Continued)

Not posting or reconciling in a timely manner may result in the following:

- Difficulty in determining the balance in each fund;
- Negative fund balances due to overspending;
- Making expenditures in excess of appropriations; and
- Increased risk of funds being diverted without management's knowledge.

In order to strengthen accountability over the Village's financial activity and reconciliation process, we recommend that transactions be posted in a timely manner. The Clerk-Treasurer should investigate and correct any unknown variances before closing the current month's activities. Village Council should closely review and scrutinize monthly bank reconciliations. This review should be clearly documented in the Village's minute record as well as on the bank reconciliations.

Officials' Response:

Management did not respond to this finding.

FINDING NUMBER 2006-005

Material Weakness – Monitoring Controls

Sound accounting practices require a segregation of duties where possible and increased monitoring control be used when segregation of duties is not feasible due to a small number of employees. This ensures that financial data is accurately presented and helps to ensure that resources are being efficiently and effectively utilized. A key aspect of this monitoring process is regular and thorough monitoring by management and a continuing adherence to the budget limits established by Village Council.

There was a lack of segregation of duties in the posting of income tax receipts, utility receipts, and payroll transactions. Council's review of Village finances was limited to manually prepared list of bills and an income tax revenue report. Reviews such as these do not allow Council to adequately monitor the financial condition of the Village. Lack of controls has resulted in errors occurring without timely detection by management.

We recommend that the following controls be implemented:

- Council and the Administrator should review monthly financial reports that include month-to-date and year-to-date receipt and disbursement totals; budget to actual receipts and disbursements at the legal level of controls; and the balances in each fund. Reports such as these should be generated utilizing the Village's computerized accounting system. Council and the Administrator should use these reports as a tool to monitor the Village's financial situation and adapt budgets in anticipation of changing circumstances. Reports should be approved in the minutes and copies should be retained in the Council agendas.

- Council and/or the Administrator should examine monthly general and payroll bank reconciliations as well as a detailed list of outstanding checks. Council and/or the Administrator should occasionally compare information on the bank reconciliations to supporting documentation and review the outstanding check list for any unusual items.

FINDING NUMBER 2006-005
(Continued)

- Council and/or the Administrator should review payroll reports to ensure employees are being paid the correct rate of pay and there are no unusual transactions.

- Council and/or the Administrator should periodically review detailed revenue and expenditure reports to ensure transactions are being properly posted.

- The Clerk-Treasurer should review monthly income tax and utility revenue reports and compare collections to the amount of deposits.

Officials' Response:

Management did not respond to this finding.

FINDING NUMBER 2006-006

Material Weakness – Posting of Inside/Outside Kilowatt Taxes

Auditor of State Bulletin 2001-011 stipulates the procedures for posting inside and outside kilowatt taxes. The taxes collected are to be posted monthly to the Electric fund's taxes line item. The inside portion of the tax is to then be posted as a negative revenue in the Electric fund's taxes line item and a revenue to a taxes line item in the General fund. The outside portion of the tax is to be expensed as an excise tax expense in the Electric fund's non-operating expenses line item and the outside tax is to then be sent to the State on a monthly basis.

The inside portion of kilowatt taxes were expensed to the General fund instead of reducing the "Charges for Services" line item in the Electric fund. An adjustment was made of $114,007 in 2005 and $106,744 in 2006 to properly report the inside portion of kilowatt taxes.

The outside kilowatt tax was posted to the Electric fund's "Charged for Services" line item instead of "Other Local Taxes." An adjustment was made of $7,104 in 2005 and $7,020 in 2006 to properly post the inside portion of kilowatt taxes.

The outside kilowatt taxes were remitted to the State from the General fund instead of the Electric fund. In accordance with the foregoing facts, a finding for adjustment is hereby issued against the Electric fund and in favor of the General fund for $7,104 (2005) and $7,020 (2006).

The financial statements have been adjusted to correct this misstatement. We recommend that monies received for inside and outside kilowatt taxes be posted in conjunction with Auditor of State Bulletin 2001-011 to ensure proper presentation of fiscal information and to ensure that monies are expended from the proper funds.

Officials' Response:

Management did not respond to this finding.

.

VILLAGE OF EDGERTON
WILLIAMS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006 AND 2005

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2004-001	ORC § 5705.41(D) – Improper encumbering	No	Reissued as finding 2006-001.
2004-002	ORC § 135.18 – Insufficient Collateral	Yes	
2004-003	ORC § 5705.40 – Approved appropriations were not properly posted to Village's system.	No	Reissued in management letter.
2004-004	ORC § 5705.41(B) – Expenditure exceeding appropriations	No	Reissued in management letter.
2004-005	ORC § 5705.10 – Misposting of monies and negative fund balances throughout fiscal years	Yes	
2004-006	Reportable condition on monitoring controls	No	Reissued as finding 2006-005.
2004-007	Material weakness on timely posting of transactions and reconciling of bank accounts.	No	Reissued as finding 2006-004.

VILLAGE OF EDGERTON

WILLIAMS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 13, 2007