



**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007



Mary Taylor, CPA
Auditor of State

VILLAGE OF BLAKESLEE
WILLIAMS COUNTY

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Mary Taylor, CPA Auditor of State

Village of Blakeslee
Williams County
501 Columbia Street
P.O. Box 65
Blakeslee, Ohio 43505-0065

To the 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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 5, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Blakeslee
Williams County
501 Columbia Street
P.O. Box 65
Blakeslee, Ohio 43505-0065

To the Village Council:

We have audited the accompanying financial statements of Village of Blakeslee, Williams County, (the Village) as of and for the years ended December 31, 2007 and 2006. 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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, 2007 and 2006, 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, 2007 and 2006, or its changes in financial position or 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 Blakeslee, Williams County, as of December 31, 2007 and 2006, 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 May 5, 2008, 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, CPA
Auditor of State

May 5, 2008

**VILLAGE OF BLAKESLEE
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, 2007**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$3,772		\$3,772
Intergovernmental	16,889	\$8,119	25,008
Fines, Licenses and Permits	319		319
Earnings on Investments	3,541	1,019	4,560
Miscellaneous		3,242	3,242
	<u>24,521</u>	<u>12,380</u>	<u>36,901</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	2,183	2,968	5,151
Leisure Time Activities		350	350
Transportation		616	616
General Government	26,832		26,832
	<u>29,015</u>	<u>3,934</u>	<u>32,949</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	(4,494)	8,446	3,952
Fund Cash Balances, January 1	147,397	45,984	193,381
Fund Cash Balances, December 31	<u>\$142,903</u>	<u>\$54,430</u>	<u>\$197,333</u>

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

**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$6,678
Operating Cash Disbursements:	
Personal Services	100
Contractual Services	6,430
Total Operating Cash Disbursements	6,530
Operating Income	148
Fund Cash Balance, January 1	1,900
Fund Cash Balance, December 31	\$2,048

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

**VILLAGE OF BLAKESLEE
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**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$3,430		\$3,430
Intergovernmental	18,280	\$18,051	36,331
Earnings on Investments	4,778	1,038	5,816
Miscellaneous	1,100	100	1,200
	<u>27,588</u>	<u>19,189</u>	<u>46,777</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	2,149	3,783	5,932
Leisure Time Activities		1,648	1,648
Transportation		2,727	2,727
General Government	16,631		16,631
	<u>18,780</u>	<u>8,158</u>	<u>26,938</u>
Total Cash Disbursements			
	<u>18,780</u>	<u>8,158</u>	<u>26,938</u>
Total Cash Receipts Over Cash Disbursements	<u>8,808</u>	<u>11,031</u>	<u>19,839</u>
Other Financing Receipts / (Disbursements):			
Transfers-In	5,000		5,000
Transfers-Out	(500)	(5,000)	(5,500)
	<u>4,500</u>	<u>(5,000)</u>	<u>(500)</u>
Total Other Financing Receipts / (Disbursements)			
	<u>4,500</u>	<u>(5,000)</u>	<u>(500)</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	13,308	6,031	19,339
Fund Cash Balances, January 1	134,089	39,953	174,042
Fund Cash Balances, December 31	<u><u>\$147,397</u></u>	<u><u>\$45,984</u></u>	<u><u>\$193,381</u></u>

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

**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$7,585
Operating Cash Disbursements:	
Personal Services	99
Contractual Services	6,291
Total Operating Cash Disbursements	6,390
Operating Income	1,195
Transfers-In	500
Net Receipts Over Disbursements	1,695
Fund Cash Balance, January 1	205
Fund Cash Balance, December 31	\$1,900

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

**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

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 Blakeslee, Williams County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides garbage services, park operations, and police services.

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. 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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Parks Recreation Fund – This fund receives donations and general fund transfers to fund construction and operation of the Village Park.

Police Department – This fund receives donations and general fund transfers to fund the operation of the Village Police Department.

**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

3. 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:

Garbage Fund - This fund receives charges for services from residents to cover the cost of providing the collection of residents' garbage from an independent contractor.

D. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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.

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 2007 and 2006 budgetary activity appears in Note 4.

E. 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.

**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

2. ACCOUNTING CHANGE

The Village changed the allocation of a transfer previously made to the Police fund from the Parks and Recreation fund, special revenue funds, to being disbursed from the General fund.

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Fund Balance, as previously reported, December 31, 2005	\$140,089	\$33,953
Change in fund allocation	(6,000)	6,000
Fund Balance, as restated at January 1, 2006	<u>\$134,089</u>	<u>\$39,953</u>

3. 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:

	<u>2007</u>	<u>2006</u>
Demand deposits	<u>\$199,381</u>	<u>\$195,281</u>

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

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$26,840	\$24,521	(\$2,319)
Special Revenue	14,089	12,380	(1,709)
Enterprise	7,000	6,678	(322)
Total	<u>\$47,929</u>	<u>\$43,579</u>	<u>(\$4,350)</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$40,000	\$29,015	\$10,985
Special Revenue	37,000	3,934	33,066
Enterprise	7,000	6,530	470
Total	<u>\$84,000</u>	<u>\$39,479</u>	<u>\$44,521</u>

**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

4. BUDGETARY ACTIVITY – (CONTINUED)

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$24,452	\$32,588	\$8,136
Special Revenue	19,306	19,189	(117)
Enterprise	7,125	8,085	960
Total	\$50,883	\$59,862	\$8,979

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$40,000	\$19,280	\$20,720
Special Revenue	36,000	13,158	22,842
Enterprise	7,000	6,390	610
Total	\$83,000	\$38,828	\$44,172

Contrary to Ohio law, increases to appropriations in the Parks and Recreation and Police Department funds in 2006 and the Police Department and Garbage Operating funds in 2007 were not approved by the Village Council. As a result, in 2006, expenditures exceeded appropriations by \$1,648 in the Parks and Recreation fund and by \$1,783 in the Police Department fund, also contrary to Ohio law.

5. 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.

**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

6. RISK MANAGEMENT

Risk Pool Membership

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

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

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2006 and 2005 (the latest information available):

	<u>2006</u>	<u>2005</u>
Assets	\$9,620,148	\$8,219,430
Liabilities	<u>(3,329,620)</u>	<u>(2,748,639)</u>
Members' Equity	<u>\$6,290,528</u>	<u>\$5,470,791</u>

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

7. RELATED PARTY TRANSACTIONS

Mark Muehlfeld, a Village Council member, was compensated for drainage and tile work that was performed for the Village during 2006. The Village paid \$325 for this work.

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Mary Taylor, CPA

Auditor of State

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

Village of Blakeslee
Williams County
501 Columbia Street
P.O. Box 65
Blakeslee, Ohio 43505-0065

To the Village Council:

We have audited the financial statements of the Village of Blakeslee, Williams County, (the Village) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated May 1, 2008, 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 also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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: 2007-003 and 2007-004.

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 the 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 and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe none of the significant deficiencies described above are material weaknesses.

We also noted certain matters that we reported to the Village's management in a separate letter dated May 5, 2008.

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 that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-001 through 2007-003.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated May 5, 2008.

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



Mary Taylor, CPA
Auditor of State

May 5, 2008

**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

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

FINDING NUMBER 2007-001

Noncompliance Citation

Ohio Revised Code §5705.40 provides that appropriation measures may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation.

The legally adopted appropriations were different than the posted appropriations in the following funds:

<u>Year</u>	<u>Fund</u>	<u>Approved Appropriations</u>	<u>Posted Appropriations</u>	<u>Variance</u>
As of December 31, 2006:				
	Parks and Recreation Fund	\$5,000	\$10,000	(\$5,000)
	Police Department Fund	2,000	4,105	(2,105)
As of December 31, 2007:				
	Police Department Fund	5,000	19,500	(14,500)
	Garbage Operating Fund	7,000	7,100	(100)

This is evidence that changes were made to the legally adopted budget for which there is no documentary evidence of approval by the Council. This could result in appropriation changes being made which are inconsistent with the intentions of management. We recommend that the Village only post Council approved appropriation measures.

FINDING NUMBER 2007-002

Noncompliance Citation

Ohio Revised Code §5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated.

Expenditures exceeded Appropriations in the following funds:

<u>Year</u>	<u>Fund</u>	<u>Appropriator Authority</u>	<u>Actual Disbursements</u>	<u>Variance</u>
As of December 31, 2006:				
	Parks and Recreation Fund	5,000	6,648	(1,648)
	Police Department Fund	2,000	3,783	(1,783)

Expenditures in excess of appropriations may result in deficit spending. We recommend that expenditures and appropriations be frequently reviewed by the Council and the necessary adjustments be made to prevent expenditures from exceeding appropriations. These adjustments should be formally approved by the Council in the minutes and the Clerk-Treasurer should only make amendments to the computerized appropriations ledger based on these formally documented approvals.

FINDING NUMBER 2007-003

Noncompliance Citation - Significant Deficiency

Ohio Rev. Code §5747.51(J) and §5747.62(I) require monies received into the treasury of a subdivision from the County's undivided local government fund and undivided local government revenue assistance fund to be paid into the general fund and used for the current operating expenses of the subdivision.

Local government and local government revenue assistance payments made to the Village in 2007 were incorrectly allocated to the Street Construction Maintenance and Repair fund (\$1,340). The General Fund should have received \$1,340.

The financial statements have been adjusted to correct this misstatement. We recommend that monies received from the County's undivided local government fund and undivided local government revenue assistance fund be paid into the Village's General fund and used for current operating expenses.

FINDING NUMBER 2007-004

Significant Deficiency – Financial Reporting

As a result of the audit procedures performed, the following error was noted in the financial statements that required an audit adjustment in 2007 and 2006.

Motor Vehicle License Tax monies of \$447 in 2007 and \$427 in 2006 were misposted to "Taxes" instead of "Intergovernmental Revenue."

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 Village 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 any of these findings.

**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Ohio Revised Code § 5705.40, appropriations posted in the Village's ledger differed from those legally adopted by Council.	No	Not corrected – Reissued as finding 2007-001.
2005-002	Ohio Revised Code § 5705.41(B), expenditures exceeding appropriations	No	Not corrected – Reissued as finding 2007-002.
2005-003	Ohio Revised Code § 731.14, contracts above \$25,000 were not advertised for bidding	Yes	No Longer Valid - The Village did not have any contracts that required competitive bidding during the audit period.
2005-004	Ohio Revised Code § 5705.10, monies paid into the Police Department Fund were illegally transferred to the Parks and Recreation fund.	Yes	



Mary Taylor, CPA
Auditor of State

VILLAGE OF BLAKESLEE

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
JUNE 10, 2008**