

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

*Financial Statements
(Audited)*

For The Years Ended
December 31, 2010 and 2009

JANET BONIFAS, FISCAL OFFICER



Dave Yost • Auditor of State

Village Council
Village of Elida
200 W. Main Street
Elida, Ohio 45807

We have reviewed the *Independent Auditor's Report* of the Village of Elida, Allen County, prepared by Julian & Grube, Inc., for the audit period January 1, 2009 through December 31, 2010. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Elida is responsible for compliance with these laws and regulations.

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Dave Yost
Auditor of State

June 15, 2011

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**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1 - 2
Combined Statement of Cash Fund Balances - All Fund Types - December 31, 2010 and 2009	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types - For The Year Ended December 31, 2010	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - Proprietary Fund Type and Similar Fiduciary Fund Type For The Year Ended December 31, 2010	5
Combined Statement of Cash Receipts, Cash Disbursements, and Encumbrances Compared with Expenditure Authority - Budget and Actual For The Year Ended December 31, 2010	6
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types For The Year Ended December 31, 2009	7
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - Proprietary Fund Type and Similar Fiduciary Fund Type For The Year Ended December 31, 2009	8
Combined Statement of Cash Receipts, Cash Disbursements and Encumbrances Compared with Expenditure Authority - Budget and Actual For The Year Ended December 31, 2009	9
Notes to the Financial Statements.....	10 - 21
Independent 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 <i>Government Auditing Standards</i>	22 - 23
Schedule of Findings and Responses.....	24 - 25
Schedule of Prior Audit Findings	26

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Julian & Grube, Inc.
Serving Ohio Local Governments

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Independent Auditor's Report

Members of Council and Mayor
Village of Elida
200 W. Main Street
Elida, Ohio 45807

We have audited the accompanying financial statements of the Village of Elida, Allen County, Ohio, as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Village of Elida'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 that our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the Village of Elida 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 of Elida's larger (i.e. major) funds separately. While the Village of Elida 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 the Village of Elida to reformat their statements. The Village of Elida 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, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village of Elida, as of December 31, 2010 and 2009, 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 Elida, Allen County, Ohio, as of December 31, 2010 and 2009, and its combined cash receipts and cash disbursements and combined budgeted and actual receipts and budgeted and actual disbursements for the years then ended on the accounting basis Note 2 describes.

Independent Auditor's Report
Village of Elida
Page 2

The Village of Elida 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 18, 2011, on our consideration of the Village of Elida's internal control over financial reporting and on 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.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
May 18, 2011

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES
ALL FUND TYPES
DECEMBER 31, 2010 AND 2009

<u>Cash and Cash Equivalents</u>	2010	2009
Cash and Cash Equivalents	\$ 639,166	\$ 536,991
Total Cash and Cash Equivalents	\$ 639,166	\$ 536,991
<u>Cash Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General	\$ 4,316	\$ 3,416
Special Revenue	173,020	257,773
Total Governmental Funds	177,336	261,189
<u>Proprietary Fund Type:</u>		
Enterprise	461,642	272,401
<u>Fiduciary Fund Type:</u>		
Agency	188	3,401
Total Fund Balances	\$ 639,166	\$ 536,991

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

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Local taxes	\$ 59,410	\$ -	\$ -	\$ 59,410
Municipal income tax	-	413,275	-	413,275
Intergovernmental	68,798	112,611	400,000	581,409
Fines, licenses, and permits	29,411	-	-	29,411
Interest	1,781	67	-	1,848
Miscellaneous	3,299	82	-	3,381
Total cash receipts	<u>162,699</u>	<u>526,035</u>	<u>400,000</u>	<u>1,088,734</u>
Cash disbursements:				
Current:				
Security of persons and property	170,504	-	-	170,504
Public health services	8,726	-	-	8,726
Community environment	1,200	-	-	1,200
Basic utility services	8,747	-	-	8,747
Transportation	57,309	105,567	-	162,876
General government	125,133	35,788	-	160,921
Capital outlay	3,680	60,688	941,617	1,005,985
Debt service:				
Principal retirement	-	6,184	-	6,184
Interest and fiscal charges	-	738	-	738
Total cash disbursements	<u>375,299</u>	<u>208,965</u>	<u>941,617</u>	<u>1,525,881</u>
Total cash receipts over/(under) cash disbursements	<u>(212,600)</u>	<u>317,070</u>	<u>(541,617)</u>	<u>(437,147)</u>
Other financing receipts/(disbursements):				
Proceeds from sale of notes	-	-	353,294	353,294
Operating transfers in	420,464	54,000	188,323	662,787
Operating transfers out	(206,964)	(455,823)	-	(662,787)
Total other financing receipts/(disbursements)	<u>213,500</u>	<u>(401,823)</u>	<u>541,617</u>	<u>353,294</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	900	(84,753)	-	(83,853)
Cash fund balances, January 1, 2010	<u>3,416</u>	<u>257,773</u>	<u>-</u>	<u>261,189</u>
Cash fund balances, December 31, 2010	<u>\$ 4,316</u>	<u>\$ 173,020</u>	<u>\$ -</u>	<u>\$ 177,336</u>

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

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN CASH FUND BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Agency	
Operating cash receipts:			
Charges for services	\$ 1,404,394	\$ -	\$ 1,404,394
Total operating cash receipts	<u>1,404,394</u>	<u>-</u>	<u>1,404,394</u>
Operating cash disbursements:			
Personal services	199,311	-	199,311
Employee fringe benefits	87,943	-	87,943
Contractual services	501,313	-	501,313
Supplies and material	87,242	-	87,242
Miscellaneous	3,124	-	3,124
Total operating cash disbursements	<u>878,933</u>	<u>-</u>	<u>878,933</u>
Operating income	<u>525,461</u>	<u>-</u>	<u>525,461</u>
Nonoperating cash receipts/(disbursements):			
Capital outlay	(592,584)	-	(592,584)
Court collections	-	11,365	11,365
Proceeds of notes	501,386	-	501,386
Miscellaneous	7,178	-	7,178
Distribution of court fines/fees	-	(14,578)	(14,578)
Debt service:			
Principal	(195,160)	-	(195,160)
Interest	(57,040)	-	(57,040)
Total nonoperating cash receipts/(disbursements)	<u>(336,220)</u>	<u>(3,213)</u>	<u>(339,433)</u>
Income/(loss) before operating transfers	189,241	(3,213)	186,028
Transfers in	312,818	-	312,818
Transfers out	<u>(312,818)</u>	<u>-</u>	<u>(312,818)</u>
Net income/(loss)	189,241	(3,213)	186,028
Cash fund balance, January 1, 2010	<u>272,401</u>	<u>3,401</u>	<u>275,802</u>
Cash fund balance, December 31, 2010	<u>\$ 461,642</u>	<u>\$ 188</u>	<u>\$ 461,830</u>

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

VILLAGE OF ELIDA
ALLEN COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2010 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2010 Appropriations	Total	Actual 2010 Disbursements	Encumbrances Outstanding at 12/31/10	Total	Variance Favorable (Unfavorable)
	Governmental:											
General	\$ 3,416	\$ 746,000	\$ 749,416	\$ 583,163	\$ (162,837)	\$ -	\$ 749,370	\$ 749,370	\$ 582,263	\$ -	\$ 582,263	\$ 167,107
Special Revenue	257,773	604,900	862,673	580,035	(24,865)	-	853,680	853,680	664,788	-	664,788	188,892
Capital Projects	-	1,100,000	1,100,000	941,617	(158,383)	-	1,100,000	1,100,000	941,617	-	941,617	158,383
Proprietary:												
Enterprise	272,401	2,432,926	2,705,327	2,225,776	(207,150)	-	2,693,336	2,693,336	2,036,535	-	2,036,535	656,801
Total (Memorandum Only)	\$ 533,590	\$ 4,883,826	\$ 5,417,416	\$ 4,330,591	\$ (553,235)	\$ -	\$ 5,396,386	\$ 5,396,386	\$ 4,225,203	\$ -	\$ 4,225,203	\$ 1,171,183

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

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Local taxes	\$ 61,609	\$ -	\$ 61,609
Municipal income tax	-	428,972	428,972
Intergovernmental	86,645	109,323	195,968
Fines, licenses, and permits	39,572	-	39,572
Interest	2,378	60	2,438
Miscellaneous	723	100	823
Total cash receipts	<u>190,927</u>	<u>538,455</u>	<u>729,382</u>
Cash disbursements:			
Current:			
Security of persons and property	170,717	-	170,717
Public health services	9,965	-	9,965
Community environment	11,268	-	11,268
Basic utility services	57,438	-	57,438
Transportation	26,884	91,857	118,741
General government	143,552	40,445	183,997
Capital outlay	46,875	79,908	126,783
Debt service:			
Principal retirement	-	5,956	5,956
Interest and fiscal charges	-	966	966
Total cash disbursements	<u>466,699</u>	<u>219,132</u>	<u>685,831</u>
Total cash receipts over/(under) cash disbursements	<u>(275,772)</u>	<u>319,323</u>	<u>43,551</u>
Other financing receipts/(disbursements):			
Operating transfers in	433,240	85,000	518,240
Operating transfers out	(161,000)	(433,240)	(594,240)
Total other financing receipts/(disbursements)	<u>272,240</u>	<u>(348,240)</u>	<u>(76,000)</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(3,532)	(28,917)	(32,449)
Cash fund balances, January 1, 2009	<u>6,948</u>	<u>286,690</u>	<u>293,638</u>
Cash fund balances, December 31, 2009	<u>\$ 3,416</u>	<u>\$ 257,773</u>	<u>\$ 261,189</u>

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

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN CASH FUND BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2009

	Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Agency	
Operating cash receipts:			
Charges for services	\$ 1,338,854	\$ -	\$ 1,338,854
Total operating cash receipts	<u>1,338,854</u>	<u>-</u>	<u>1,338,854</u>
Operating cash disbursements:			
Personal services	197,544	-	197,544
Employee fringe benefits	77,789	-	77,789
Contractual services	533,986	-	533,986
Supplies and material	73,626	-	73,626
Miscellaneous	4,710	-	4,710
Total operating cash disbursements	<u>887,655</u>	<u>-</u>	<u>887,655</u>
Operating income	<u>451,199</u>	<u>-</u>	<u>451,199</u>
Nonoperating cash receipts/(disbursements):			
Court collections	-	27,756	27,756
Capital outlay	(795,935)	-	(795,935)
Distribution of court fines/fees	-	(25,700)	(25,700)
Proceeds of notes	651,407	-	651,407
Other financing receipts	20,252	-	20,252
Debt service:			
Principal	(184,590)	-	(184,590)
Interest	(58,133)	-	(58,133)
Total nonoperating cash receipts/(disbursements)	<u>(366,999)</u>	<u>2,056</u>	<u>(364,943)</u>
Income before operating transfers	84,200	2,056	86,256
Transfers in	313,140	-	313,140
Transfers out	<u>(237,140)</u>	<u>-</u>	<u>(237,140)</u>
Net income	160,200	2,056	162,256
Cash fund balance, January 1, 2009	<u>112,201</u>	<u>1,345</u>	<u>113,546</u>
Cash fund balance, December 31, 2009	<u>\$ 272,401</u>	<u>\$ 3,401</u>	<u>\$ 275,802</u>

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

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2009 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2009 Appropriations	Total	Actual 2009 Disbursements	Encumbrances Outstanding at 12/31/09	Total	Variance Favorable (Unfavorable)
	Governmental:											
General	\$ 6,948	\$ 776,200	\$ 783,148	\$ 624,167	\$ (152,033)	\$ -	\$ 781,640	\$ 781,640	\$ 627,699	\$ -	\$ 627,699	\$ 153,941
Special Revenue	286,690	579,875	866,565	623,455	43,580	-	865,298	865,298	652,372	-	652,372	212,926
Proprietary:												
Enterprise	112,201	2,936,655	3,048,856	2,323,653	(613,002)	-	2,880,910	2,880,910	2,163,453	-	2,163,453	717,457
6 Total (Memorandum Only)	\$ 405,839	\$ 4,292,730	\$ 4,698,569	\$ 3,571,275	\$ (721,455)	\$ -	\$ 4,527,848	\$ 4,527,848	\$ 3,443,524	\$ -	\$ 3,443,524	\$ 1,084,324

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

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of Elida, Allen County, Ohio, (the "Village") is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including public safety, street maintenance and water and sewer facilities and mayor's court.

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

The most significant of the Village's accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Village are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Village:

Governmental Fund Types

General Fund - The general fund is used to account for all activities of the Village not required to be included 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.

Special Revenue Funds

These funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

The Village had the following significant special revenue funds:

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

Village Income Tax Fund - This fund receives income taxes collected from local residents and businesses.

Capital Projects

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital (except those financed through Enterprise Funds). The Village had the following Capital Projects Fund:

Main Street Reconstruction Phase I - This fund accounts for all capital outlay transactions related to the Main Street reconstruction project (2010).

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Proprietary Fund Type

Enterprise Funds - Enterprise 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 funds:

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

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

Elida Elevated Water Tower Fund - This fund accounts for all capital outlay transactions related to the construction of an elevated water tower.

Fiduciary Fund Type

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village had the following fiduciary fund type (Agency):

Mayor's Court Fund - This fund receives monies from collections of fines imposed from tickets issued by the Village's police force. Funds are collected in part on behalf of the State of Ohio. In addition, funds are used for safety programs and general Village operations.

B. BASIS OF ACCOUNTING

These financial statements follow the basis of accounting which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, except agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within a department and fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determines that receipts collected will be greater than or less than the prior estimates and the Budget Commission find the revised estimates to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Village had no outstanding encumbrances at December 31, 2010 or 2009.

D. CASH AND CASH EQUIVALENTS

For reporting purposes, the Village considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Village totaled \$1,848 and \$2,438 for the years ended December 31, 2010 and 2009, respectively.

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. PROPERTY, PLANT AND EQUIPMENT

Capital assets are not capitalized in any of the Village's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded by the Village.

F. UNPAID VACATION AND SICK LEAVE

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Village.

G. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village's cash basis method of accounting.

H. INTERFUND TRANSACTIONS

During the course of normal operations, the Village had transactions between funds. The most significant include transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the necessary fund and are recorded as operating transfers.

Transfers are intended to permanently reallocate money from one fund to another as authorized in the Ohio Revised Code Sections 5705.14 to 5705.16.

I. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 3 - COMPLIANCE

- A. The Village did not properly certify disbursements in noncompliance with Ohio Revised Code Section 5705.41(D) in 2010 and 2009.
- B. The Village had appropriations exceeding actual resources in noncompliance with Ohio Revised Code Section 5705.36(A)(4) in 2010 and 2009.

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 4 - CASH AND CASH EQUIVALENTS

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

	<u>2010</u>	<u>2009</u>
Deposits:		
Demand deposits	\$ 599,166	\$ 496,991
Certificates of deposit	<u>40,000</u>	<u>40,000</u>
Total	<u>\$ 639,166</u>	<u>\$ 536,991</u>

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

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**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 5 - INTERFUND TRANSACTIONS

The following is a summarized breakdown of the Village's operating transfers for 2010 and 2009:

<u>2010</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 420,464	\$ 206,964
<u>Special Revenue Funds:</u>		
Street Construction, Maintenance and Repair	54,000	-
Village Income Tax	-	455,823
Total Special Revenue Funds	<u>54,000</u>	<u>455,823</u>
<u>Capital Projects Fund:</u>		
Main Street Reconstruction Phase I	<u>188,323</u>	-
Total Capital Projects Fund	<u>188,323</u>	-
<u>Enterprise Funds:</u>		
Water Operating	-	107,080
Water Replacement and Improvement	40,000	-
Water Debt	67,080	-
Sewer Operating	-	205,738
Sewer Replacement and Improvement	40,000	-
Sewer Debt	<u>165,738</u>	-
Total Enterprise Funds	<u>312,818</u>	<u>312,818</u>
Total	<u>\$ 975,605</u>	<u>\$ 975,605</u>
<u>2009</u>		
General Fund	\$ 433,240	\$ 161,000
<u>Special Revenue Funds:</u>		
Street Construction, Maintenance and Repair	85,000	-
Village Income Tax	-	433,240
Total Special Revenue Funds	<u>85,000</u>	<u>433,240</u>
<u>Enterprise Funds:</u>		
Water Operating	76,000	70,141
Water Replacement and Improvement	4,061	-
Water Debt	66,080	-
Sewer Operating	-	166,999
Sewer Debt	<u>166,999</u>	-
Total Enterprise Funds	<u>313,140</u>	<u>237,140</u>
Total	<u>\$ 831,380</u>	<u>\$ 831,380</u>

The above transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 6 - DEBT OBLIGATIONS

Debt outstanding at December 31 was as follows:

<u>Description</u>	<u>2010</u>	<u>2009</u>
2010 Ohio Public Works Commission (OPWC) for the reconstruction of Main Street. Payments are due in semiannual installments of \$6,667 through 2041 at an interest rate of 0%.	\$ 353,294	\$ -
2009 Ohio Water Development Authority (OWDA) water supply revolving loan relating to the construction of an elevated water tower. Due in semiannual installments of varying amounts through 2030 at an interest rate of 3.2%.	1,152,793	651,407
1994 OWDA for a sewer relief project mandated by the EPA. Payments are due in semiannual installments of \$3,091 through 2014 at an interest rate of 6.16%.	18,912	23,639
1994 Sewer Improvement General Obligation Bonds for the Sewer Relief Phase II Project mandated by the EPA. Bonds are due in annual installments of \$6,183 through 2019 bearing interest from 4.15% to 6.625%.	245,000	265,000
1993 OWDA note for a detention pond project mandated by the EPA. Payments are due in semiannual installments of \$24,468 through 2013 at an interest rate of 4.8%.	135,224	176,188
1993 OPWC for a sewer relief project mandated by the EPA. Payments are due in semiannual installments of \$1,450 through 2014 at 0% interest.	11,600	14,500
1993 Water General Obligation Refunding Bonds relating to the construction of the original water plant. Bonds are due in annual installments of varying amounts through 2010 bearing interest from 3.5% to 6.4%.	-	65,000
1992 OPWC for a detention pond/wastewater collection system. Payments are due in semiannual installments of \$3,821 through 2014 at 0% interest.	26,743	34,385
1988 OWDA note to assist in a sewer project mandated by the EPA. Due in semiannual installments of varying amounts through 2013 at an interest rate of 7.11%.	<u>164,560</u>	<u>212,303</u>
Total Debt Obligations	<u>\$2,108,126</u>	<u>\$ 1,442,422</u>

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 6 - DEBT OBLIGATIONS - (Continued)

Transactions for the total years ended December 31, 2010 and 2009 are summarized as follows:

	<u>Balance 01/01/10</u>	<u>Proceeds</u>	<u>Principal Retirement</u>	<u>Balance 12/31/10</u>
OPWC Loan CM10N - Street Reconstruction - 2010	\$ -	\$ 353,294	\$ -	\$ 353,294
OWDA Loan 5140 - Water Supply Revolving Loan - 2009	651,407	501,386	-	1,152,793
OWDA Loan 5030 - Sewer - 1994	23,639	-	(4,727)	18,912
Sewer Improvement General Obligation Bonds	265,000	-	(20,000)	245,000
OWDA Loan 2242 - Detention Pond - 1993	176,188	-	(40,964)	135,224
OPWC Loan CM633 - Sewer - 1993	14,500	-	(2,900)	11,600
Water General Obligation Refunding Bonds	65,000	-	(65,000)	-
OPWC Loan CM531 - Detention Pond - 1992	34,385	-	(7,642)	26,743
OWDA Loan 1555 - Sewer - 1988	212,303	-	(47,743)	164,560
Total	<u>\$ 1,442,422</u>	<u>\$ 854,680</u>	<u>\$ (188,976)</u>	<u>\$ 2,108,126</u>

	<u>Balance 01/01/09</u>	<u>Proceeds</u>	<u>Principal Retirement</u>	<u>Balance 12/31/09</u>
OWDA Loan 5140 - Water Supply Revolving Loan - 2009	\$ -	\$ 651,407	\$ -	\$ 651,407
OWDA Loan 5030 - Sewer - 1994	28,091	-	(4,452)	23,639
Sewer Improvement General Obligation Bonds	285,000	-	(20,000)	265,000
OWDA Loan 2242 - Detention Pond - 1993	215,254	-	(39,066)	176,188
OPWC Loan CM633 - Sewer - 1993	17,400	-	(2,900)	14,500
Water General Obligation Refunding Bonds	125,000	-	(60,000)	65,000
OPWC Loan CM531 - Detention Pond - 1992	42,026	-	(7,641)	34,385
OWDA Loan 1555 - Sewer - 1988	256,878	-	(44,575)	212,303
Total	<u>\$ 969,649</u>	<u>\$ 651,407</u>	<u>\$ (178,634)</u>	<u>\$ 1,442,422</u>

Capital lease payments are included in principal payments on the financial statements. Principal payments in 2010 were \$6,184 in the enterprise fund type and \$6,184 in the special revenue fund type. Principal payments in 2009 were \$5,956 in the enterprise fund type and \$5,956 in the special revenue fund type. See Note 7 for additional information regarding the Village's capital lease.

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 6 - DEBT OBLIGATIONS - (Continued)

Amortization for the above debt is scheduled as follows:

Year Ending December 31,	OWDA Loan 5030 Sewer - 1994		Sewer Improvement General Obligation Bonds		OWDA Loan 2242 Detention Pond - 1993	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 5,018	\$ 1,165	\$ 20,000	\$ 16,164	\$ 42,955	\$ 5,981
2012	5,327	856	20,000	14,854	45,040	3,896
2013	5,655	528	25,000	13,544	47,229	1,707
2014	2,912	179	25,000	11,906	-	-
2015	-	-	25,000	10,269	-	-
2016 - 2019	-	-	130,000	22,194	-	-
Total	<u>\$ 18,912</u>	<u>\$ 2,728</u>	<u>\$ 245,000</u>	<u>\$ 88,931</u>	<u>\$ 135,224</u>	<u>\$ 11,584</u>

Year Ending December 31,	OPWC Loan CM633 Sewer - 1993		OPWC Loan CM531 Detention Pond - 1992	
	Principal	Interest	Principal	Interest
2011	\$ 2,900	\$ -	\$ 7,641	\$ -
2012	2,900	-	7,641	-
2013	2,900	-	7,641	-
2014	2,900	-	3,820	-
2015	-	-	-	-
2016 - 2019	-	-	-	-
Total	<u>\$ 11,600</u>	<u>\$ -</u>	<u>\$ 26,743</u>	<u>\$ -</u>

Year Ending December 31,	OWDA Loan 1555 Sewer - 1988		Total	
	Principal	Interest	Principal	Interest
2011	\$ 51,138	\$ 11,519	\$ 129,652	\$ 34,829
2012	54,774	7,940	135,682	27,546
2013	58,648	4,127	147,073	19,906
2014	-	-	34,632	12,085
2015	-	-	25,000	10,269
2016 - 2019	-	-	130,000	22,194
Total	<u>\$ 164,560</u>	<u>\$ 23,586</u>	<u>\$ 602,039</u>	<u>\$ 126,829</u>

In July of 2009, OWDA disbursements originated on the Elevated Water Tower loan. At December 31, 2010, \$1,152,793 had been disbursed, including \$15,182 in capitalized interest. The loan is not yet finalized, thus, no amortization exists; however, the Village is required to make principal payments totaling \$47,023 in 2011.

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 6 - DEBT OBLIGATIONS - (Continued)

In December 2010, OPWC disbursements originated on the Main Street Reconstruction Phase I Project loan. At December 31, 2010, \$353,294 had been disbursed. The loan is not yet finalized, thus, no amortization exists; however, the Village is required to make semi-annual principal payments in 2012 in the amount of \$6,667.

NOTE 7 - CAPITALIZED LEASE - LESSEE DISCLOSURE

In 2008, the Village entered into a capitalized lease agreement with Key Government Finance, Inc. for the acquisition of an Aries Saturn III Street Sweeper/Sewer Camera. Principal payments for the street sweeper in 2010 and 2009 were \$12,368 and \$11,912, respectively.

This lease meets the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease as one which transfers benefits and risks of ownership to the lease. Capital lease payments are reflected as debt service expenditures in the Special Revenue - Street Construction Maintenance and Repair and Enterprise - Sewer Operating Funds.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of December 31, 2010:

<u>Year Ended December 31,</u>	<u>Aries Saturn III Street Sweeper/ Sewer Camera</u>
2011	\$ 13,844
2012	<u>13,844</u>
Total minimum lease payments	27,688
Less: amount representing interest	<u>(1,513)</u>
Present value of minimum lease payments	<u><u>\$ 26,175</u></u>

NOTE 8 - PROPERTY TAX

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

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the Village due to the phasing out of the tax. In calendar years 2006-2010, the Village will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 8 - PROPERTY TAX - (Continued)

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

NOTE 9 - LOCAL INCOME TAX

The Village levies a municipal income tax of three quarters of one 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 the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the City of Cleveland Central Collection Agency (CCA) either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file the declaration annually.

NOTE 10 - RETIREMENT SYSTEMS

Certain Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. The Village's Police, Fire and Emergency Medical Services employees belong to the Ohio Police & Fire Pension Fund (OP&F).

Contribution rates are also prescribed by the Ohio Revised Code. For 2010 and 2009, OPERS members contributed 10% of their gross salaries, respectively. The Village contributed an amount equal to 14% of participants' gross salaries for 2010 and 2009. For 2010 and 2009, OP&F members contributed 10% of their gross salaries, respectively. The Village contributed an amount equal to 19% for police for the years ended December 31, 2010 and 2009. The Village has paid all contributions required under both plans through December 31, 2010.

NOTE 11 - RISK MANAGEMENT

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), a nonassessable, unincorporated non-profit association providing a formalized, jointly administered selfinsurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retain 15% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had over 650 members as of December 31, 2008. The Village participates in this coverage.

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 11 - RISK MANAGEMENT - (Continued)

In August, 2007, OGRMP formed the Ohio Plan Healthcare Consortium (“OPHC”), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member’s healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of-pocket maximums. OPHC had 40 members as of December 31, 2008. The Village does not participate in this coverage.

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: 2009 and 2008 (the latest information available), and include amounts for both OPRRM and OPHC:

	2009	2008
Assets	\$ 11,176,186	\$ 10,471,114
Liabilities	<u>(4,852,485)</u>	<u>(5,286,781)</u>
Members' Equity	<u>\$ 6,323,701</u>	<u>\$ 5,184,333</u>

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

NOTE 12 - CONTINGENT LIABILITIES

The Village is not currently involved in litigation.



Julian & Grube, Inc.
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**Independent 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***

Members of Council and Mayor
Village of Elida
200 W. Main Street
Elida, Ohio 45807

We have audited the financial statements of the Village of Elida, Allen County, Ohio, as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated May 18, 2011, wherein we noted the Village of Elida followed 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 of Elida's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village of Elida's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village of Elida's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Village of Elida's financial statements will not be prevented, or detected and timely corrected.

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

Members of Council and Mayor
Village of Elida

Compliance and Other Matters

As part of reasonably assuring whether the Village of Elida'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 two instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2010-VOE-001 and 2010-VOE-002.

The Village of Elida's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Village of Elida's responses and, accordingly, we express no opinion on them.

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



Julian & Grube, Inc.
May 18, 2011

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
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Finding Number	2010-VOE-001
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Ohio Revised Code Section 5705.41 (D) requires that no orders or contracts involving the expenditure of monies are to be made unless there is certificate of the Fiscal Officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

For the years ended December 31, 2010 and 2009, 45% and 53%, respectively, of disbursements tested were not certified in a timely manner.

Without timely certification, the Village may expend more funds than available in the treasury, or in the process of collection, or appropriated. This may also result in unnecessary purchases.

We recommend that all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection and or a “Then & Now” certification is approved on the purchase order.

Client Response: The Village Fiscal Officer is working to certify disbursements more timely and making more use of “Then & Now” certificates.

Finding Number	2010-VOE-002
----------------	--------------

Ohio Revised Code Section 5705.36 (A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

At December 31, the Village had appropriations greater than actual resources, which consist of actual revenues and beginning fund balances in the following funds:

	<u>Actual</u>	<u>Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>2010</u>				
General Fund	\$	586,579	\$ 749,370	\$ 162,791
<u>Special Revenue Funds:</u>				
Street Construction, Maintenance and Repair		159,322	177,495	18,173
Village Income Tax		612,555	617,885	5,330
Railroad Crossing		-	1,000	1,000
<u>Capital Projects Funds:</u>				
Main Street Reconstruction Project		941,617	1,100,000	158,383
<u>Enterprise Funds:</u>				
Water Operating		779,765	800,730	20,965
Sewer Debt Service		165,738	165,750	12
Elida Elevated Water Tower		487,051	679,821	192,770

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2010-VOE-002 - (Continued)

<u>2009</u>	<u>Actual</u> <u>Resources</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund	\$ 631,115	\$ 781,640	\$ 150,525
<u>Special Revenue Funds:</u>			
Street Construction, Maintenance and Repair	180,256	182,986	2,730
County Permissive Motor Vehicle	8,690	11,000	2,310
Railroad Crossing	-	1,000	1,000
<u>Enterprise Funds:</u>			
Sewer Debt Service	166,999	167,300	301
Sewer Operating	593,301	626,873	33,572
Elida Elevated Water Tower	631,222	1,259,800	628,578

By appropriating more funds than actual resources, the Village is at risk of spending more money than is available; this may result in negative fund balances.

We recommend the Village monitor appropriations in comparison to actual resources and obtain decreased amended appropriations as needed. Further guidance may be found in Auditor of State Bulletin 97-010.

Client Response: The Village is attempting to monitor the budget more closely.

**VILLAGE OF ELIDA
ALLEN COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2008-VOE-001	Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of monies are to be made unless there is a certificate of the Fiscal Officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.	No	Repeated as finding 2010-VOE-001
2008-VOE-002	Ohio Revised Code Section 5705.36(A)(4) states that upon determination by the Fiscal Officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in the official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations.	No	Repeated as finding 2010-VOE-002



Dave Yost • Auditor of State

VILLAGE OF ELIDA

ALLEN 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 28, 2011