



Dave Yost • Auditor of State

VILLAGE OF HELENA
SANDUSKY COUNTY

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Dave Yost • Auditor of State

Village of Helena
Sandusky County
P.O. Box 85
Helena, Ohio 43435-0085

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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 27, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Helena
Sandusky County
P.O. Box 85
Helena, Ohio 43435-0085

To the Village Council:

We have audited the accompanying financial statements of the Village of Helena, Sandusky County, Ohio (the Village), as of and for the years ended December 31, 2010 and 2009. 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(A) mandates 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, 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 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 and reserves of encumbrances of the Village of Helena, Sandusky County, Ohio as of December 31, 2010 and 2009, 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 27, 2011, 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.

We conducted our audit to opine on the Village's financial statements taken as a whole. The federal awards expenditures schedule provides additional information required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The federal awards expenditure schedule is management's responsibility, and was derived from and relates to the underlying accounting and other records used to prepare the financial statements. This schedule was subjected to the auditing procedures we applied in the financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the financial statements taken as a whole.



Dave Yost
Auditor of State

October 27, 2011

**VILLAGE OF HELENA
SANDUSKY COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$18,920		\$18,920
Intergovernmental	27,785	\$12,311	40,096
Charges for Services	10,601		10,601
Earnings on Investments	2,942	1,632	4,574
Miscellaneous	22		22
	<u>60,270</u>	<u>13,943</u>	<u>74,213</u>
Total Cash Receipts			
	<u>60,270</u>	<u>13,943</u>	<u>74,213</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	4,575		4,575
Public Health Services	245		245
Leisure Time Activities	15,752		15,752
Community Environment	5,500		5,500
Basic Utility Service	13,771		13,771
Transportation		2,061	2,061
General Government	23,118		23,118
	<u>62,961</u>	<u>2,061</u>	<u>65,022</u>
Total Cash Disbursements			
	<u>62,961</u>	<u>2,061</u>	<u>65,022</u>
Total Receipts Over/(Under) Disbursements	(2,691)	11,882	9,191
Fund Cash Balances, January 1	<u>242,884</u>	<u>145,223</u>	<u>388,107</u>
Fund Cash Balances, December 31	<u>\$240,193</u>	<u>\$157,105</u>	<u>\$397,298</u>
Reserve for Encumbrances, December 31	<u>\$4,491</u>	<u>\$635</u>	<u>\$5,126</u>

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

**VILLAGE OF HELENA
SANDUSKY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$59,389
Operating Cash Disbursements:	
Personal Services	5,395
Contractual Services	15,854
Total Operating Cash Disbursements	21,249
Operating Income	38,140
Non-Operating Cash Receipts:	
Intergovernmental	1,460,661
Earnings on Investments	71
Other Debt Proceeds	347,283
Miscellaneous Receipts	300
Total Non-Operating Cash Receipts	1,808,315
Non-Operating Cash Disbursements:	
Capital Outlay	1,806,150
Redemption of Principal	5,936
Interest and Other Fiscal Charges	330
Total Non-Operating Cash Disbursements	1,812,416
Net Receipts Over Disbursements	34,039
Fund Cash Balance, January 1	14,435
Fund Cash Balance, December 31	\$48,474
Reserve for Encumbrances, December 31	\$2,818

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

**VILLAGE OF HELENA
SANDUSKY COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$19,854		\$19,854
Intergovernmental	47,201	\$12,116	59,317
Charges for Services	3,946		3,946
Earnings on Investments	6,544	1,952	8,496
Miscellaneous	225		225
	<u>77,770</u>	<u>14,068</u>	<u>91,838</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	7,570		7,570
Public Health Services	177		177
Leisure Time Activities	778		778
Community Environment	956		956
Basic Utility Service	13,714		13,714
Transportation		1,636	1,636
General Government	29,671		29,671
	<u>52,866</u>	<u>1,636</u>	<u>54,502</u>
Total Cash Disbursements			
Total Receipts Over Disbursements	24,904	12,432	37,336
Fund Cash Balances, January 1	217,980	132,791	350,771
Fund Cash Balances, December 31	<u>\$242,884</u>	<u>\$145,223</u>	<u>\$388,107</u>

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

**VILLAGE OF HELENA
SANDUSKY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$38,877
Operating Cash Disbursements:	
Personal Services	2,923
Contractual Services	26,534
Total Operating Cash Disbursements	29,457
Operating Income	9,420
Non-Operating Cash Receipts:	
Earnings on Investments	5
Non-Operating Cash Disbursements:	
Redemption of Principal	7,500
Interest and Other Fiscal Charges	385
Total Non-Operating Cash Disbursements	7,885
Net Receipts Over Disbursements	1,540
Fund Cash Balance, January 1	12,895
Fund Cash Balance, December 31	\$14,435

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

**VILLAGE OF HELENA
SANDUSKY COUNTY**

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

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 Helena, Sandusky County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities and park operations.

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. Deposits 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 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 fund:

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

**VILLAGE OF HELENA
SANDUSKY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

3. Enterprise Fund

This fund accounts 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 enterprise fund:

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs. This fund also received proceeds of loans and grants from the Ohio Water Development Agency, the Ohio Public Works Commission, and the United States Department of Agriculture. The proceeds are being used to construct a new sanitary sewer system.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements) 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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Village did not encumber all commitments required by Ohio law.

A summary of 2010 and 2009 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.

**VILLAGE OF HELENA
SANDUSKY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

2. Equity in Pooled Deposits

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

	2010	2009
Demand deposits	\$254,433	\$92,817
Certificates of deposit	191,339	309,725
Total deposits	\$445,772	\$402,542

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

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$56,272	\$60,270	\$3,998
Special Revenue	16,620	13,943	(2,677)
Enterprise	2,552,567	1,867,704	(684,863)
Total	\$2,625,459	\$1,941,917	(\$683,542)

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$80,008	\$67,452	\$12,556
Special Revenue	9,600	2,696	6,904
Enterprise	1,905,433	1,836,483	68,950
Total	\$1,995,041	\$1,906,631	\$88,410

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$73,712	\$77,770	\$4,058
Special Revenue	15,909	14,068	(1,841)
Enterprise	32,050	38,882	6,832
Total	\$121,671	\$130,720	\$9,049

**VILLAGE OF HELENA
SANDUSKY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. Budgetary Activity (Continued)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$65,992	\$52,866	\$13,126
Special Revenue	13,600	1,636	11,964
Enterprise	39,948	37,342	2,606
Total	\$119,540	\$91,844	\$27,696

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. Debt

Debt outstanding at December 31, 2010, was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan #4183	\$12,500	0%
Ohio Water Development Authority Loan #4484	31,352	0%
Ohio Water Development Authority Loan #5428	111,283	0%
Ohio Water Development Authority Loan #5632	236,000	1.60%
Total	\$391,135	

The Ohio Water Development Authority (OWDA) loan #4183 relates to a wastewater system planning the Ohio Environmental Protection Agency mandated. The OWDA approved \$25,000 in loans to the Village for the planning of this project. The Village will repay the loans in annual installments of \$2,500, over 10 years. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #4484 relates to a wastewater system design the Ohio Environmental Protection Agency mandated. The OWDA approved \$50,000 in loans to the Village for the design of this project. The Village will repay the loans in annual installments of \$5,000, over 10 years. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. During 2010, the Village only made a payment of \$3,436.

**VILLAGE OF HELENA
SANDUSKY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

5. Debt (Continued)

The Ohio Water Development Authority (OWDA) loan #5428 relates to a wastewater system project the Ohio Environmental Protection Agency mandated. The OWDA approved \$111,283 in loans to the Village for the system of this project. The Village will repay the loans in annual installments of \$5,564, over 20 years. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Loan #5632 relates to wastewater system project the Ohio Environmental Protection Agency mandated. The OWDA approved \$239,545 in loans to the Village for a Rural Development loan advance for the system of this project. In October 2011, the United States of America Department of Agriculture/Rural Development (USDA/RD) will take over \$236,000 of this loan. The improvements have not been completed to date and a final amortization schedule is unavailable. This loan is not included in the accompanying amortization schedule.

Amortization of the above debt is scheduled as follows:

Year ending December 31:	<u>OWDA #4183</u>	<u>OWDA #4484</u>	<u>OWDA #5428</u>
2011	\$2,500	\$5,000	
2012	2,500	5,000	\$5,564
2013	2,500	5,000	5,564
2014	2,500	5,000	5,564
2015	2,500	5,000	5,564
2016-2020		6,352	27,821
2021-2025			27,821
2026-2030			27,821
2031-2035			5,564
Total	<u>\$12,500</u>	<u>\$31,352</u>	<u>\$111,283</u>

6. Retirement Systems

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2010.

Effective July 1, 1991, all employees not otherwise covered by a state retirement system have an option to choose Social Security or the appropriate state system. As of December 31, 2008, Council Members and the Mayor have elected Social Security. The Village's liability is 6.2 percent of wages paid.

**VILLAGE OF HELENA
SANDUSKY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

7. Risk Management

Risk Pool Membership

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Assets	\$34,952,010	\$36,374,898
Liabilities	<u>(14,320,812)</u>	<u>(15,256,862)</u>
Net Assets	<u>\$20,631,198</u>	<u>\$21,118,036</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$12.9 million and \$14.1 million of estimated incurred claims payable. The assets above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Village's share of these unpaid claims collectible in future years is approximately \$4,000.

VILLAGE OF HELENA
SANDUSKY COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)

7. Risk Management (Continued)

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
<u>2010</u>	<u>2009</u>
\$4,493	\$4,575

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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VILLAGE OF HELENA
SANDUSKY COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE <i>Direct Assistance</i>		
Water and Waste Disposal Systems for Rural Communities Grant	10.760	\$46,583
Loan	10.760	<u>236,000</u>
Total U.S. Department of Agriculture		<u>282,583</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT <i>Passed Through the Ohio Department of Development</i>		
Community Development Block Grants/States Program (CDBG) Grant	14.228	<u>466,000</u>
Total Federal Awards Expenditures		<u><u>\$748,583</u></u>

The accompanying notes are an integral part of this schedule.

**VILLAGE OF HELENA
SANDUSKY COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the Village's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the Village contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Village has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



Dave Yost • 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 Helena
Sandusky County
P.O. Box 85
Helena, Ohio 43435-0085

To the Village Council:

We have audited the financial statements of the Village of Helena, Sandusky County, Ohio (the Village), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated October 27, 2011, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted 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(A) 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2010-001 and 2010-002 described in the accompanying schedule of findings to be material weaknesses.

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 we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2010-003 and 2010-004.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated October 27, 2011.

We intend this report solely for the information and use of management, the finance committee, Village Council, federal awarding agencies and pass-through entities, and others within the Village. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State

October 27, 2011



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Village of Helena
Sandusky County
P.O. Box 85
Helena, Ohio 43435-0085

To the Village Council:

Compliance

We have audited the compliance of the Village of Helena, Sandusky County, Ohio (the Village), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Village's major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the Village's major federal programs. The Village's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village's compliance with those requirements.

In our opinion, the Village of Helena complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings lists these instances as findings 2010-005, 2010-006, 2010-007 and 2010-009.

Internal Control Over Compliance

The Village's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Village's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Village's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified deficiencies in internal control over compliance that we consider to be significant deficiencies, described in the accompanying schedule of findings as items 2010-005 through 2010-008. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

We also noted matters involving federal compliance not requiring inclusion in this report, that we reported to the Village's management in a separate letter dated October 27, 2011.

We intend this report solely for the information and use of the finance committee, management, Village Council, others within the Village, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

October 27, 2011

VILLAGE OF HELENA
SANDUSKY COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2010 AND 2009

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	GAAP – Adverse Regulatory – Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	Yes
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Water and Waste Disposal Systems for Rural Communities – CFDA #10.760 Community Development Block Grant for Small Cities – CFDA #14.228
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

FINDING NUMBER 2010-001

Material Weakness – Monitoring of Financial Statements

Accurate financial reporting is the responsibility of the Clerk-Treasurer and is essential to ensure the information provided to the readers of the financial statements accurately reflects the Village's activity.

**FINDING NUMBER 2010-001
(Continued)**

The financial statements contained the following errors:

2010:

- General Fund Homestead/Rollback (\$1,400) was recorded to the Street Construction, Maintenance and Repair Fund (\$1,295) and the State Highway Fund (\$105).
- Gasoline Tax revenues were recorded to the State Highway Fund but not to the Street Construction, Maintenance and Repair Fund (\$496).
- Sewer Fund Charges for Services sewer fees (\$1,060) were recorded to the General Fund.
- General Fund HB66 Personal Property Tax reimbursement (\$153), Utility/Kilowatt tax reimbursement (\$421), and Homestead/Rollback (\$1,370) were recorded to Taxes instead of Intergovernmental Revenues.
- Sewer fees (\$600) were recorded as Other Financing Sources instead of Charges for Services.
- Enterprise Sewer Fund contained the following errors:
 - Community Development Block Grant (CDBG) Intergovernmental revenues were recorded as Charges for Services (\$340,898) and Other Financing Sources (\$125,102).
 - United States Department of Agriculture (USDA) Intergovernmental revenues (\$36,583) were recorded as Charges for Services.
 - Ohio Water Development Agency (OWDA) Interim Loan Proceeds were recorded as Charges for Services (\$235,173) and (\$827) was not recorded.
 - Ohio Environmental Protection Agency (OEPA) Intergovernmental revenues (\$140,005) were recorded as Charges for Services and (\$548,712) were not recorded.
 - OWDA Loan Proceeds were recorded as Charges for Services (\$111,283).
 - OWDA loan fee reimbursement (\$300) was recorded as Charges for Services instead of Other Financing Sources.
 - Ohio Public Works Commission (OPWC) Intergovernmental revenues (\$264,542) were not recorded.
 - OPWC refund for engineering fees (\$4,819) was recorded as Charges for Services instead of Intergovernmental revenues.
 - In addition, the revenues not recorded were paid directly to a vendor for the sewer project and would have a subsequent Capital Outlay expenditure recorded.

**FINDING NUMBER 2010-001
(Continued)**

2009:

- General Fund Homestead/Rollback (\$2,890) was recorded to the Street Construction, Maintenance and Repair Fund (\$2,673) and the State Highway Fund (\$217).
- Gasoline Tax revenues were recorded to the State Highway Fund but not to the Street Construction, Maintenance and Repair Fund (\$471).

The accompanying financial statements and Village accounting records have been adjusted to reflect these corrections.

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 all accounts are being properly recorded to the financial statements.

FINDING NUMBER 2010-002

Material Weakness – Reconciliations

Sound accounting procedures require there to be adequate segregation of duties and monitoring procedures performed by management. Sound financial reporting is the responsibility of the Clerk-Treasurer and Village Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. Internal controls also serve to prevent, deter or detect material misstatements due to fraud.

The Clerk-Treasurer performs the accounting functions. It is therefore important that Council monitor financial activity closely. The Village did not reconcile for the entire audit period, although Council was signing the reconciliations. Local Government System (LGS) was called in to reconcile the Village. Also, the Clerk-Treasurer is the only one who signs checks and supporting documentation was not always attached to the check stub. These weaknesses contributed to the discrepancies described in finding 2010-001 above.

We recommend the Clerk-Treasurer and Council review the reconciliation and investment summary to identify and correct errors and omissions before moving forward into the following month. We also recommend more than one person sign checks and Council review the check's supporting documentation.

FINDING NUMBER 2010-003

Noncompliance Citation

Ohio Revised Code, § 5705.10, requires all revenue derived from a specific source to be credited to a special fund for the purpose for which the monies were received. In addition, the **Cooperative Agreement for State Planning Project Section 3.2(c)**, states the Village is to segregate the revenues, funds and properties of the system from all other funds and properties of the Village.

Furthermore, the aforementioned section requires all revenue derived from a source other than general property tax which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose. This section also provides that money paid into any fund shall be used only for the purposes for which such fund is established.

**FINDING NUMBER 2010-003
(Continued)**

The Village did not post Ohio Water Development Authority interim loan monies in the amount of \$237,672 (which included capitalized interest) to a separate fund. Instead, the Village comingled this revenue with activity in the Sewer Fund.

We recommend the Clerk-Treasurer follow Ohio Revised Code and the Cooperative Agreement for State Planning Project guidelines and segregate the revenues, funds and properties of the system from all other funds and properties of the Village.

FINDING NUMBER 2010-004

Noncompliance Citation

Ohio Revised Code, § 5705.41(D)(1), states that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the Clerk-Treasurer of the subdivision that the amount required for the order or contract has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the 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, each of 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 both at the time the contract or order was made ("then"), and at the time the Clerk-Treasurer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of an appropriate fund free from any previous encumbrances, council can authorize the drawing of a warrant for the payment of the amount due. Council has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts 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 council.

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** – Council may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the clerk-treasurer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. 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.

**FINDING NUMBER 2010-004
 (Continued)**

Thirty two percent of the transactions tested were not certified by the Clerk-Treasurer at the time the commitment was incurred nor was a Then and Now Certificate utilized. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances. In addition, there was no resolution or ordinance adopted establishing an amount for the blanket certificates.

Certification is not only required by Ohio law, but it is a key control in the disbursements process to help assure purchase commitments receive prior approval, and to help reduce the possibility of the Village funds being over expended or exceeding budgetary spending limitations as set by Council.

Council should review the exceptions above and use the certificates accordingly. In addition, to improve controls over disbursements, we recommend all Council disbursements receive prior certification from the Clerk-Treasurer and Council periodically review the expenditures made to ensure they are within the appropriations adopted by Council, certified by the Clerk-Treasurer and recorded against appropriations. We also recommend a resolution or ordinance be adopted establishing the maximum amount and period for blanket certificates.

3. FINDINGS FOR FEDERAL AWARDS

Consistency Between Federal and Non-Federal Accounting Processes

Finding Number	2010-005
CFDA Title and Number	CFDA #14.228 Community Development Block Grants/States Program (CDBG) CFDA #10.760 Water and Waste Disposal Systems for Rural Communities
Federal Award Number / Year	2010
Federal Agency	United States Department of Housing and Urban Development United States Department of Agriculture
Pass-Through Agency	Ohio Department of Development

Noncompliance Citation/Significant Deficiency

24 CFR 225 (C)(1)(e) requires federal grant recipients to be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

CDBG and USDA federal grants were not consistent with non-federal money as follows:

1. Separate checking account was set up before Council approved;
2. Non Village specific checks were used along with not maintaining the cancelled checks or having supporting documentation attached to the duplicate check;
3. Monthly sheets given to Council to sign for expenditure approval did not contain the federal amounts; and
4. Approved purchase orders could not be located.

**FINDING NUMBER 2010-005
 (Continued)**

We recommend the Village implement an internal control system for ensuring federal and non-federal monies are consistent with policies, regulations, and procedures.

Fifteen-Day Rule

Finding Number	2010-006
CFDA Title and Number	CFDA #14.228 Community Development Block Grants/States Program (CDBG)
Federal Award Number / Year	2010
Federal Agency	United States Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance Citation/Significant Deficiency

OHCP Management Rules and Regulations, section (A)(3)(f) states grantees must develop a cash management system to ensure compliance with the Fifteen-Day Rule relating to prompt disbursement of funds. This rule states that funds drawn down should be limited to amounts that will enable the grantee to disburse the funds on hand to a balance of less than \$5,000 within fifteen days of receipt of any funds. Lump sum draw downs are not permitted. Escrow accounts are permitted only in the case of rehabilitation of private property. For the purpose of the Fifteen-Day Rule only, funds deposited into an escrow account will considered to be expended, but it should be noted that funds may only be in an escrow account for 20 days.

The Village held CDBG funds of \$118,330 for 26 days; \$181,175 for 35 days; and \$41,393 for 48 days. We recommend the Village follow all rules and regulations dealing with the Fifteen-Day Rule.

Financial and Program Management

Finding Number	2010-007
CFDA Title and Number	CFDA #10.760 Water and Waste Disposal Systems for Rural Communities
Federal Award Number / Year	2010
Federal Agency	United States Department of Agriculture

Noncompliance Citation/Significant Deficiency

2 CFR Part 215.22 (a)(b) states payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payment by other means by the recipients. Payment methods of State agencies or instrumentalities shall be consistent with Treasury-State CMIA agreements or default procedures codified at 31 CFR Part 205. Recipients are to be paid in advance, provided they maintain or demonstrate the willingness to maintain:

**FINDING NUMBER 2010-007
 (Continued)**

- (1) Written procedures that minimize the time elapsing between the transfer of funds and disbursement by the recipient, and
- (2) Financial management systems that meet the standards for fund control and accountability as established in Part 215.21. Cash advances to a recipient organization shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program or project costs and the proportionate share of any allowable indirect costs.

Invoices must be submitted with the cash draws, therefore time lapse between transfer of funds and disbursement by the recipient should be minimal. Funds for the USDA Grant of \$28,197 were held for 49 days. The Rural Development Loan Interim funds of \$119,176 were held for 7 days; \$47,385 was held for 37 days; \$28,022 was held for 21 days; \$21,673 was held for 40 days; \$1,977 was held for 49 days; and \$16,944 was held for 75 days. We recommend the Village pay the invoices on a timely basis.

Federal Receipts and Disbursements

Finding Number	2010-008
CFDA Title and Number	CFDA #14.228 Community Development Block Grants/States Program (CDBG) CFDA #10.760 Water and Waste Disposal Systems for Rural Communities
Federal Award Number / Year	2010
Federal Agency	United States Department of Housing and Urban Development United States Department of Agriculture
Pass-Through Agency	Ohio Department of Development

Significant Deficiency

A separate checking account was set up for the federal/state monies for the sewer project. Federal CDBG (\$466,000) and USDA (\$282,583) monies and State (\$250,453) monies were direct deposited into the Village's checking account then transferred into the federal/state checking account. Once the money was transferred it was no longer accounted for on the Village's records. The federal money was received during March, June, July, and August of 2010. Some of the deposits were recorded in October of 2010 then voided in November 2010. All federal deposits were then recorded on December 31, 2010. When the money was not transferred in the same month it showed up on the bank reconciliation as a reconciling item. Once transferred the money was no longer accounted for on the Village's books until the dates noted above. Throughout this time period monthly interest was earned (\$68) from this checking account without being recorded until January 2011.

The checks issued from the federal/state account were generic checks which were not Village specific. These were not recorded when the check was issued, there were no cancelled checks and no evidence of approval. There was also \$10 spent on the checks and \$13 in service charges from the federal/state account without Council approval.

**FINDING NUMBER 2010-008
(Continued)**

These deficiencies could result in the inability to properly report federal receipts and disbursements. Sound financial reporting is the responsibility of the Clerk-Treasurer and Council and is essential to ensure the information provided is complete and accurate.

To ensure the Village's records are complete and accurate, the Village should adopt policies and procedures, including reviews of the records and bank reconciliations including all bank statements by the Clerk-Treasurer and Council, to identify and correct errors and omissions.

FINDING NUMBER 2010-009

Noncompliance Citation

OMB Circular A-133 § .200, Audits of States, Local Governments and Non-Profit Organizations, as published on 06/27/2003, requires Non-Federal entities that expend \$500,000 or more in a year in Federal awards to have a single or program-specific audit conducted for that year in accordance with the provisions of **OMB Circular A-133**.

OMB Circular A-133 § .320 requires the audit to be completed and the data collection form and reporting package to be submitted within the earlier of 30 days after receipt of the auditor's report, or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for the audit.

The Village expended greater than \$500,000 in Federal awards during fiscal year 2010 and did not have a single audit or a program-specific audit conducted to meet the nine month deadline. The Village did not receive an extension to this filing requirement.

Officials' Response:

We did not receive a response from Officials to the findings reported above.

**VILLAGE OF HELENA
SANDUSKY COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
FOR THE YEAR ENDING DECEMBER 31, 2010**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2010-005	Will use UAN accounting for all monies from grants and loans. Clerk misinterpreted what was meant by a separate account. If the Village gets another grant we will set up a committee to oversee.	10/24/11	David Murray, Clerk-Treasurer
2010-006	A lot of miscommunication as to when funds were received by Village. Will follow 15 Day Rule in future.	10/24/11	David Murray, Clerk-Treasurer
2010-007	Will pay all future monies in a timely fashion.	10/24/11	David Murray, Clerk-Treasurer
2010-008	Will use UAN accounting system for all monies.	10/24/11	David Murray, Clerk-Treasurer
2010-009	Will file in a timely fashion.	10/24/11	David Murray, Clerk-Treasurer

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**VILLAGE OF HELENA
SANDUSKY COUNTY**

**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; <i>Explain</i>
2008-001	Material Weakness – Financial Reporting	No	Not Corrected, repeated as finding 2010-001 in this report.
2008-002	Material Weakness - Reconciliations	No	Not Corrected, repeated as finding 2010-002 in this report.

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Dave Yost • Auditor of State

VILLAGE OF HELENA

SANDUSKY 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 29, 2011