



Mary Taylor, CPA
Auditor of State

VILLAGE OF WOODSFIELD
MONROE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2009.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2009.....	6
Notes to the Financial Statements	7
Federal Awards Expenditures Schedule.....	15
Notes to the Federal Awards Expenditures Schedule	16
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	17
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	19
Schedule of Findings – OMB Circular A-133 § .505.....	21
Schedule of Prior Audit Finding	29

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Mary Taylor, CPA
Auditor of State

Village of Woodsfield
Monroe County
221 South Main Street
Woodsfield, Ohio 43793

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.

Mary Taylor

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December 8, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Woodsfield
Monroe County
221 South Main Street
Woodsfield, Ohio 43793

To the Village Council:

We have audited the accompanying financial statements of the Village of Woodsfield, Monroe County, Ohio (the Village), as of and for the year ended December 31, 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.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 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, 2009, or its changes in financial position or cash flows, where applicable for the year 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 for encumbrances of the Village of Woodsfield, Monroe County, as of December 31, 2009, and its combined cash receipts and disbursements for the year 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 December 8, 2010, 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. The Federal Awards Expenditures Schedule is required by the 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. We subjected the Federal Awards Expenditures Schedule to the auditing procedures applied in the audit of the financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Mary Taylor, CPA
Auditor of State

December 8, 2010

VILLAGE OF WOODSFIELD
MONROE 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**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts:						
Property and Local Taxes	\$49,510			\$76,367		\$125,877
Municipal Income Tax	198,914	\$240,211		17,297		456,422
Intergovernmental	164,866	503,457	\$24,808	984,140		1,677,271
Charges for Services	143,186	72,898		6,050	\$600	222,734
Fines, Licenses and Permits	18,665	720				19,385
Earnings on Investments	3,525				67,822	71,347
Miscellaneous	86,448	3,823				90,271
Total Cash Receipts	665,114	821,109	24,808	1,083,854	68,422	2,663,307
Cash Disbursements:						
Current:						
Security of Persons and Property	332,646	14,644				347,290
Public Health Services	14,882	18,499			71,707	105,088
Leisure Time Activities		89,759				89,759
Transportation		237,024				237,024
General Government	186,323	27,934				214,257
Debt Service:						
Redemption of Principal	61,573	112,080	20,576	158,998		353,227
Interest and Fiscal Charges	1,311	1,890	4,232	1,823		9,256
Capital Outlay	19,520	430,468		1,360,164	16,488	1,826,640
Total Cash Disbursements	616,255	932,298	24,808	1,520,985	88,195	3,182,541
Total Cash Receipts Over/(Under) Cash Disbursements	48,859	(111,189)	0	(437,131)	(19,773)	(519,234)
Other Financing Receipts:						
Proceeds from Sale of Public Debt:						
Sale of Notes	12,000	134,919		485,071		631,990
Other Financing Sources		35				35
Total Other Financing Receipts	12,000	134,954	0	485,071	0	632,025
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	60,859	23,765	0	47,940	(19,773)	112,791
Fund Cash Balances, January 1	15,214	189,730		45,183	1,474,278	1,724,405
Fund Cash Balances, December 31	\$76,073	\$213,495	\$0	\$93,123	\$1,454,505	\$1,837,196
Reserve for Encumbrances, December 31	\$1,005	\$2,017	\$0	\$0	\$646	\$3,668

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

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$3,425,074		\$3,425,074
Fines, Licenses and Permits	1,919	\$21,355	23,274
Total Operating Cash Receipts	<u>3,426,993</u>	<u>21,355</u>	<u>3,448,348</u>
Operating Cash Disbursements:			
Personal Services	561,907		561,907
Employee Fringe Benefits	216,574		216,574
Contractual Services	1,815,169		1,815,169
Supplies and Materials	345,238		345,238
Other	5,973	21,355	27,328
Total Operating Cash Disbursements	<u>2,944,861</u>	<u>21,355</u>	<u>2,966,216</u>
Operating Income/(Loss)	<u>482,132</u>	<u>0</u>	<u>482,132</u>
Non-Operating Cash Receipts:			
Property and Other Local Taxes	95,823		95,823
Special Assessments	2,903		2,903
Sale of Notes	1,568,622		1,568,622
Miscellaneous Receipts	2,712		2,712
Other Non-Operating Cash Receipts	5,206		5,206
Total Non-Operating Cash Receipts	<u>1,675,266</u>	<u>0</u>	<u>1,675,266</u>
Non-Operating Cash Disbursements:			
Capital Outlay	1,650,988		1,650,988
Redemption of Principal	377,638		377,638
Interest and Other Fiscal Charges	127,938		127,938
Total Non-Operating Cash Disbursements	<u>2,156,564</u>	<u>0</u>	<u>2,156,564</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	834	0	834
Transfers-In	10,853		10,853
Transfers-Out	(10,853)		(10,853)
Advances-In	10,000		10,000
Advances-Out	(10,000)		(10,000)
Net Receipts Over/(Under) Disbursements	834	0	834
Fund Cash Balances, January 1	<u>739,893</u>		<u>739,893</u>
Fund Cash Balances, December 31	<u>\$740,727</u>	<u>\$0</u>	<u>\$740,727</u>
Reserve for Encumbrances, December 31	<u>\$14,275</u>	<u>\$0</u>	<u>\$14,275</u>

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

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 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 Woodsfield, Monroe County (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides electric, water, and sewer utilities, cable service, park operations, and police services. The Village appropriates general fund money to support a volunteer fire department.

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 certificate of deposits and mortgage-backed securities 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 Funds:

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 WOODSFIELD
MONROE COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Community Development Block Grant Fund – This fund receives a federal grant for construction of a new extension to the Village’s waterlines.

3. Debt Service Fund

This fund accounts for gasoline tax revenue the Village accumulates to pay the principal and interest of certain note debt issues.

4. Capital Project Funds

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

Waste Treatment Plant (WTP) Sludge Handling Fund – This fund receives Ohio Public Works Commission grants and loans for improvements to the Village’s sewer plant.

Ohio Public Works Commission Carbon Filtration Fund – This fund receives Ohio Public Works Commission grants and loans for improvements to the Village’s water plant.

Firehouse Building Fund – This fund receives property taxes and note debt issue proceeds for the building and equipment of the volunteer fire department.

5. Permanent Funds

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Village’s programs. The Village had the following significant Permanent Fund:

Braque Endowment Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Oak Lawn Cemetery.

6. Enterprise Funds

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

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

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

6. Enterprise Funds (Continued)

Cable System Fund - This fund receives charges for services from residents to cover television cable service costs.

7. Fiduciary Funds

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's agency fund accounts for the activity of the Village Mayor's Court.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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 re-appropriated. The Village did not encumber all commitments required by Ohio law.

A summary of 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 WOODSFIELD
MONROE COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

G. Accumulated Leave

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

2. Equity in Pooled Deposits and Investments

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

	2009
Demand deposits	\$1,103,086
Certificates of deposit	129,000
Other time deposits (savings account)	1,000
Total deposits	1,233,086
Mortgage-backed securities	1,344,837
Total investments	1,344,837
Total deposits and investments	\$2,577,923

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

Investments: Mortgage-backed securities are held in book-entry form by the Federal Reserve, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities.

3. Budgetary Activity

Budgetary activity for the year ending December 31, 2009, follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$765,815	\$677,114	(\$88,701)
Special Revenue	1,029,323	956,063	(73,260)
Debt Service	24,808	24,808	0
Capital Projects	1,194,623	1,568,925	374,302
Enterprise	4,665,354	5,113,112	447,758
Permanent	92,854	68,422	(24,432)
Total	\$7,772,777	\$8,408,444	\$635,667

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

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

3. Budgetary Activity (Continued)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$717,702	\$617,260	\$100,442
Special Revenue	1,155,358	934,315	221,043
Debt Service	24,800	24,808	(8)
Capital Projects	1,051,767	1,520,985	(469,218)
Enterprise	5,485,103	5,126,553	358,550
Permanent	250,000	88,841	161,159
Total	\$8,684,730	\$8,312,762	\$371,968

Contrary to Ohio law, appropriating authority exceeded estimated resources in the Income Tax Fund by \$2,263; in the Light Improvement Fund by \$81,139; and in the Cable System Fund by \$129,762. Also, contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Firehouse Building Fund by \$132,763; in the WTP Sludge Handling Fund by \$473,659; and in the Water Improvement Fund by \$58,492.

4. Property Tax

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

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

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

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

5. Local Income Tax

The Village levies a municipal income tax of 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 of the Village.

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

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

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

6. Debt

Debt outstanding at December 31, 2009, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loans	\$338,211	0.00 - 2.00%
Ohio Water Development Authority Loan	341,163	4.50%
General Obligation Notes	387,700	3.75 - 5.85%
General Obligation Bonds	1,325,700	4.00 - 4.38%
Bond Anticipation Note	662,000	4.00%
Total	<u>\$3,054,774</u>	

The Ohio Public Works Commission (OPWC) loans relate to water line, sewer line, and water and sewer plant improvement projects the Ohio Environmental Protection Agency mandated. The OPWC approved \$587,298 in loans to the Village for these projects. The Village will repay the loans in semiannual installments of \$15,385, including interest, over 20 years. Water and sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Village also has outstanding Ohio Public Works Commission (OPWC) loans in the total amount of \$379,010 relating to water filtration and sludge handling improvements for the water and sewer plants. As of December 31, 2009, \$167,075 of these proceeds has been received by the Village. The final amount of the loan is subject to change based on the close-out of the project and the actual amounts utilized by the Village. The loans will be collateralized by water and sewer receipts.

The Ohio Water Development Authority (OWDA) loan relates to a waterline extension project. The OWDA approved \$394,752 in a loan to the Village for this project. The Village will repay the loan in semiannual installments of \$15,071, including interest, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Village also has outstanding Ohio Water Development Authority (OWDA) loans in the total amount of \$962,557 relating to the purchase of a lake and waterline extensions. As of December 31, 2009, \$640,324 of these proceeds has been received by the Village. The final amount of the loans is subject to change based on the close-out of the project and the actual amounts utilized by the Village. The loans will be collateralized by water receipts.

The Village issued general obligation notes to finance the operation of the Village's park and recreation department, the purchase of land for a parking lot, the construction of a walking trail, the purchase of new equipment for the street and utility departments, and a waterline extension project. The Village's taxing authority collateralized the notes.

The Village issued general obligation bonds to finance the purchase of a television cable system and a new fire truck. The Village's taxing authority collateralized the bonds issued for the fire truck and the bond issued for the cable system are collateralized by cable receipts.

The Village issued bond anticipation notes for the construction of the electric system substation. The notes have been issued for 1 year and will be repaid from electric receipts.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

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

6. Debt (Continued)

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	OPWC Loans	OWDA Loan	General Obligation Notes	General Obligation Bonds	Bond Anticipation Notes
2010	\$30,770	\$30,141	\$338,229	\$98,881	\$676,895
2011	30,771	30,141	34,704	98,889	
2012	30,770	30,141	20,259	98,892	
2013	30,771	30,141	5,237	98,892	
2014	28,069	30,141		98,887	
2015-2019	132,714	150,706		494,402	
2020-2024	80,298	150,706		478,281	
2025-2029	21,965	30,142		478,281	
Total	<u>\$386,128</u>	<u>\$482,259</u>	<u>\$398,429</u>	<u>\$1,945,405</u>	<u>\$676,895</u>

7. Retirement Systems

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

The Ohio Revised Code also prescribes contribution rates. For 2009, OP&F participants contributed 10% of their wages. For 2009, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 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, 2009.

8. Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

9. Contingent Liabilities

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

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**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-Through Entity Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grants/State's Program			
Water and Sanitary Sewer Competitive Grant Program	14.228	C-W-08-384-1	\$407,506
Appalachian Regional Commission Program	14.228	C-P-09-384-1	<u>250,000</u>
Total Community Development Block Grants/State's Program			<u>657,506</u>
Total United States Department of Housing and Urban Development			<u>657,506</u>
Total Federal Awards Expenditures			<u><u>\$657,506</u></u>

The Notes to the Federal Awards Expenditures Schedule is an integral part of the Schedule.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2009**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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



Mary Taylor, CPA

Auditor of State

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

Village of Woodsfield
Monroe County
221 South Main Street
Woodsfield, Ohio 43793

To the Village Council:

We have audited the financial statements of the Village of Woodsfield, Monroe County, Ohio (the Village), as of and for the year ended December 31, 2009, and have issued our report thereon dated December 8, 2010, 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 uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *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, 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 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 opinion 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 a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 finding 2009-001 described in the accompanying Schedule of Findings to be a material weakness.

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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 2009-002 through 2009-004.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated December 8, 2010.

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

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

Mary Taylor, CPA
Auditor of State

December 8, 2010



Mary Taylor, CPA

Auditor of State

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

Village of Woodsfield
Monroe County
221 South Main Street
Woodsfield, Ohio 43793

To the Village Council:

Compliance

We have audited the compliance of the Village of Woodsfield, Monroe 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 apply to its major federal program for the year ended December 31, 2009. The Summary of Auditor's results section of the accompanying Schedule of Findings identifies the Village's major federal program. 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.

As described in findings 2009-005 and 2009-006 in the accompanying Schedule of Findings, the Village did not comply with requirements regarding cash management and reporting applicable to the Community Development Block Grants/State's program. Compliance with these requirements is necessary, in our opinion, for the Village to comply with requirements applicable to this program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Village of Woodsfield complied, in all material respects, with the requirements referred to above applicable to its major federal program for the year ended December 31, 2009.

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, in order to determine our auditing procedures for the purpose of expressing our opinion 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, we cannot assure we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings as item 2009-005 to be a material weakness.

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

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



Mary Taylor, CPA
Auditor of State

December 8, 2010

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse under GAAP, unqualified under the regulatory basis.
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Community Development Block Grants/State's program - C.F.D.A. #14.228
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2009
(Continued)**

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

FINDING NUMBER 2009-001

Material Weakness

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Village Officer's Handbook (revised March 2010) provides suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications and the aforementioned accounting records will provide the Village with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

The Village did not always post receipts or expenditures to the accurate classifications, or record all such transactions, based upon the source of the receipt or the purpose of disbursement.

In 2009, the Village posted:

- Ohio Department of Natural Resources monies received in the amount of \$62,400 to "Sale of Notes" instead of "Intergovernmental" within the General Fund.
- Community Development Block Grant (CDBG) monies received from the Ohio Department of Development in the amount of \$410,000 to "Special Assessments" instead of "Intergovernmental" within the CDBG Special Revenue Fund.
- Appalachian Regional Commission (ARC) monies received from the Ohio Department of Development in the amount of \$250,000 to "Special Assessments" instead of "Intergovernmental" within the ARC Grant Capital Projects Fund.
- Ohio Public Works Commission (OPWC) monies totaling \$334,140 to "Sale of Notes" instead of "Intergovernmental" within the Sludge Hauling Capital Projects Fund.
- Ohio Public Works Commission (OPWC) monies totaling \$400,000 to "Sale of Notes" instead of "Intergovernmental" within the Carbon Filtration Capital Projects Fund.
- Ohio Water Development Authority (OWDA) monies totaling \$134,919 to "Special Assessments" instead of "Sale of Notes" within the OWDA Special Revenue Fund.
- Citizens National Bank of Woodsfield note debt proceeds of \$103,489 to "Other Financing Sources" instead of "Sale of Notes" within the Water Improvement Enterprise Fund.
- Citizens National Bank of Woodsfield note debt payment of \$103,489 to "Capital Outlay" instead of "Debt Service Principal Payment" within the OWDA Special Revenue Fund.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2009
(Continued)**

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

FINDING NUMBER 2009-001 (Continued)

Material Weakness (Continued)

The Village adjusted the accompanying financial statements to reflect all items noted in the preceding paragraphs.

The Village also failed to record the annual redemption and re-issuance activity of certain note debt issues.

In 2009, the Village failed to record the following to their accounting records:

- Citizens National Bank of Woodsfield note debt proceeds and principal payments of \$158,998 for the Fire Truck Chassis note debt issue within the Firehouse Building Capital Projects Fund.
- Citizens National Bank of Woodsfield note debt proceeds and principal payments of \$75,000 for the Light Plant Expense note debt issue within the Electric Operating Enterprise Fund.

The Village adjusted the accompanying financial statements to reflect all items noted in the preceding paragraphs.

We recommend the Village utilize available authoritative resources to appropriately classify and record all receipt and expenditure transactions. We also recommend that when the Village rolls over a note debt issue, the activity be posted to the Village's accounting records as a memo receipt and expenditure.

Officials' Response:

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

FINDING NUMBER 2009-002

Noncompliance Citation

Ohio Rev. Code Section 5705.39 provides, in part, that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from as certified by the County Budget Commission.

As of December 31, 2009, appropriations exceeded total estimated resources in the following funds:

Fund Type / Fund	Estimated Resources	Appropriations	Variance
Special Revenue Fund			
Income Tax	\$26,362	\$28,625	(\$2,263)
Enterprise Funds			
Light Improvement	123,861	205,000	(81,139)
Cable System	1,687,523	1,817,285	(129,762)

VILLAGE OF WOODSFIELD
MONROE COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2009
(Continued)

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

FINDING NUMBER 2009-002 (Continued)

Noncompliance Citation – Ohio Rev. Code Section 5705.39 (Continued)

We recommend Village Council and the Village Fiscal Officer monitor appropriations and estimated resources and file amendments as needed with the County Auditor to ensure that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. This will help to reduce the risk of disbursements exceeding actual revenues available and will add a measure of control over the Village's budgetary process.

Officials' Response:

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

FINDING NUMBER 2009-003

Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing authority from expending money unless it has been appropriated.

As of December 31, 2009, the following funds reflected expenditures which exceeded appropriations:

Fund Type / Fund	Appropriations	Expenditures	Variance
Capital Projects Funds			
Firehouse Building	\$211,498	\$344,261	(\$132,763)
WTP Sludge Handling	0	473,659	(473,659)
Enterprise Fund			
Water Improvement	230,489	288,981	(58,492)

The Village's failure to limit expenditures to the amounts appropriated could result in deficit spending.

We recommend Village Council and the Fiscal Officer compare expenditures to appropriations on a monthly basis at the legal level of control. *Government Accounting, Auditing, and Financial Reporting* defines the "legal level of budgetary control" as "the level at which spending in excess of budgeted amounts would be a violation of law." In Ohio, the legal level of control is the level at which the local government's legislative authority passes the appropriation measure.

Ohio Rev. Code 5705.38(C) requires the following minimum level of budgetary control for "subdivisions" other than schools: "Appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, division, and, within each, the amount appropriated for personal services." Governments may adopt more stringent legal levels of budgetary control if they wish. If appropriations in addition to those already adopted will be needed, Village Council should take the necessary steps to adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations or reduce spending. The Fiscal Officer should deny requests for payment when appropriations are not available.

Officials' Response:

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

VILLAGE OF WOODSFIELD
MONROE COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2009
(Continued)

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2009-004

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

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

1. **"Then and Now" Certificate** – If the Fiscal Officer can certify that both at the time that the contract or order was made ("then"), and at the time that the Fiscal Officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has 30 days from receipt of the "then and now" certificate to approve payment by ordinance or resolution.

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

2. **Blanket Certificate** - Fiscal officers may prepare "blanket" certificates not exceeding an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account and cannot extend beyond the end of the fiscal year. The blanket certificate may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

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

The Fiscal Officer did not obtain prior certification for 45% of transactions tested. The Fiscal Officer did not consistently require certification of a purchase order before the Village incurred an obligation. The Fiscal Officer's failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

VILLAGE OF WOODSFIELD
MONROE COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2009
(Continued)

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

FINDING NUMBER 2009-004 (Continued)

Noncompliance Citation – Ohio Rev. Code Section 5705.41(D)(1) (Continued)

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

We recommend the Village certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include certification language Section 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification prior to the Village incurring a commitment, and only when the requirements of Section 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase orders to the appropriation code, to reduce the available appropriation.

Officials' Response:

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

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2009-005
CFDA Title and Number	Community Development Block Grants/State's Program, C.F.D.A. #14.228
Federal Award Number / Year	C-W-08-384-1 C-P-09-384-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance Citation and Material Weakness

24 C.F.R. Part 85.20 (formerly known as OMB Circular A-102, Common Rule) requires procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Ohio Department of Development Office of Housing and Community Partnerships Financial Management Rules and Regulations, November 2008, section (A)(3)(f) further requires grantee to develop a cash management system to ensure compliance with the Fifteen-Day Rule relating to prompt disbursement of funds.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2009
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2009-005 (Continued)

Noncompliance Citation and Material Weakness (Continued)

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.

The Village did not always expend Community Development Block Grant payments as required. An excess fund balance of \$42,986 was maintained for a fifty-eight day period and an excess fund balance of \$17,647 was maintained for a ninety day period. We did not impute interest earnings on these balances due to the nature of the Villages deposits and investments, the number of days excess cash was held, and declining interest rates in effect during the period.

We recommend the Village establish an internal control system to ensure Community Development Block Grant payments are spent to a balance of less than \$5,000 within fifteen days of receipt.

Officials' Response and Corrective Action Plan:

The Village will more closely monitor cash management to ensure Ohio Department of Development funding is expended to less than \$5,000 within fifteen days of receipt.

Finding Number	2009-006
CFDA Title and Number	Community Development Block Grants/State's Program, C.F.D.A. #14.228
Federal Award Number / Year	C-W-08-384-1 C-P-09-384-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance

OMB Circular A-133, Subpart B, § ____.200 and 31 U.S.C. Section 7502(a)(1)(A) requires non-federal entities that expend \$500,000 or more in a year in Federal Awards to have an annual Single or Program-Specific audit. OMB Circular A-133, Subpart C, § ____.320(a) requires the auditee to submit the data collection form described in § 320(b) and the reporting package described § 320(c) 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 audit. On March 22, 2010, OMB issued Memo M-10-14, precluding Federal Agencies from granting filing extensions for fiscal year 2009 through 2011 audit periods. Additionally, auditees with late single audit filings cannot qualify for low-risk auditee status in the subsequent two audit periods. As a result, more than 50 percent of an auditee's total Federal expenditures must be audited rather than the 25 percent required for low-risk auditees.

VILLAGE OF WOODSFIELD
MONROE COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2009
(Continued)

3. FINDINGS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2009-006 (Continued)

**Noncompliance – OMB Circular A-133, Subpart B, § .200 and 31 U.S.C. Section 7502(a)(1)(A)
(Continued)**

The Village expended more than \$500,000 in Federal Awards in 2009 and did not file their annual report with the Federal Audit Clearinghouse within the nine month period after 2009 year end.

Also, Federal OMB Circular A-133 § .300(e) requires auditees to “. . . ensure that audits required by this part are properly performed and submitted when due.”

We recommend the Village file their annual audit with the Federal Audit Clearinghouse within nine months after year end.

Officials' Response and Corrective Action Plan:

The Village will monitor federal funding and contact the Auditor of State's office to schedule an audit any year they expend \$500,000 or more in federal awards.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDING
DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-01	Ohio Rev. Code Section 135.14(O)(1) for not establishing an investment policy.	No	Partially Corrected; the citation is repeated for the 2009 audit within the Management Letter.

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Mary Taylor, CPA
Auditor of State

VILLAGE OF WOODSFIELD

MONROE 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
JANUARY 4, 2011**