



**Auditor of State  
Betty Montgomery**



VILLAGE OF LATTY  
PAULDING COUNTY

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**Auditor of State  
Betty Montgomery**

Village of Latty  
Paulding County  
650 Alexander Street, PO Box 86  
Latty, Ohio 45855-0086

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 a February 2, 2005, 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 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.

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**Betty Montgomery**  
Auditor of State

June 27, 2006

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Village of Latty  
Paulding County  
650 Alexander Street, PO Box 86  
Latty, Ohio 45855

To the Village Council:

We have audited the accompanying financial statements of the Village of Latty, Paulding County, (the Village) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 27, 2006. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

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

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004.

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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since this Village does not use GAAP to measure financial statement amounts, 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, 2005 and 2004, 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, 2005 and 2004, or its changes in financial position or cash flows of its proprietary funds 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 for encumbrances of the Village of Latty, Paulding County, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the year ended December 31, 2005 and 2004. 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 June 27, 2006, 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.



**Betty Montgomery**  
Auditor of State

June 27, 2006

**VILLAGE OF LATTY  
PAULDING COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$13,868	\$12,686		\$26,554
Intergovernmental Receipts	16,964	9,609	\$11,900	38,473
Earnings on Investments	891	277		1,168
Miscellaneous	1,081	1,379		2,460
	<u>32,804</u>	<u>23,951</u>	<u>11,900</u>	<u>68,655</u>
<b>Total Cash Receipts</b>				
	<u>32,804</u>	<u>23,951</u>	<u>11,900</u>	<u>68,655</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	3,789	3,665		7,454
Transportation		15,111	11,900	27,011
General Government	15,402	67		15,469
Capital Outlay		5,840		5,840
	<u>19,191</u>	<u>24,683</u>	<u>11,900</u>	<u>55,774</u>
<b>Total Cash Disbursements</b>				
	<u>19,191</u>	<u>24,683</u>	<u>11,900</u>	<u>55,774</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>13,613</u>	<u>(732)</u>		<u>12,881</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers-In		741	10,022	10,763
Transfers-Out	(10,763)			(10,763)
	<u>(10,763)</u>	<u>741</u>	<u>10,022</u>	
<b>Total Other Financing Receipts/(Disbursements)</b>				
	<u>(10,763)</u>	<u>741</u>	<u>10,022</u>	
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	2,850	9	10,022	12,881
<b>Fund Cash Balances, January 1</b>	<u>38,351</u>	<u>35,981</u>	<u>51,745</u>	<u>126,077</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$41,201</b></u>	<u><b>\$35,990</b></u>	<u><b>\$61,767</b></u>	<u><b>\$138,958</b></u>

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

**VILLAGE OF LATTY  
PAULDING COUNTY**

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

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$41,789
<b>Operating Cash Disbursements:</b>	
Personal Services	4,136
Fringe Benefits	585
Contractual Services	15,538
Supplies and Materials	12,333
Total Operating Cash Disbursements	32,592
Operating Income	9,197
<b>Non-Operating Cash Receipts:</b>	
Special Assessments	13,585
<b>Non-Operating Cash Disbursements:</b>	
Debt Service:	
Redemption of Principal	23,716
Interest and Other Fiscal Charges	7,126
Capital Outlay	803
Total Non-Operating Cash Disbursements	31,645
Net Receipts (Under) Disbursements	(8,863)
Fund Cash Balances, January 1	68,183
<b>Fund Cash Balances, December 31</b>	<b>\$59,320</b>

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

**VILLAGE OF LATTY  
PAULDING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$24,686	\$23,465		\$48,151
Intergovernmental Receipts	22,001	9,169	\$12,200	43,370
Earnings on Investments	367	114		481
Miscellaneous	1,021			1,021
	<u>48,075</u>	<u>32,748</u>	<u>12,200</u>	<u>93,023</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	4,330	3,015		7,345
Public Health Services	65			65
Transportation		19,838	12,200	32,038
General Government	28,811	1,193		30,004
Debt Service:				
Principal Payments		465		465
Interest Payments		30		30
Capital Outlay		7,250		7,250
	<u>33,206</u>	<u>31,791</u>	<u>12,200</u>	<u>77,197</u>
<b>Total Cash Disbursements</b>				
<b>Total Receipts Over Disbursements</b>	<u>14,869</u>	<u>957</u>		<u>15,826</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers-In			20,000	20,000
Advances-In	4,000			4,000
Transfers-Out	(20,000)			(20,000)
Advances-Out		(4,000)		(4,000)
	<u>(16,000)</u>	<u>(4,000)</u>	<u>20,000</u>	
<b>Total Other Financing Receipts/(Disbursements)</b>				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,131)	(3,043)	20,000	15,826
Fund Cash Balances, January 1	39,482	39,024	31,745	110,251
<b>Fund Cash Balances, December 31</b>	<u><u>\$38,351</u></u>	<u><u>\$35,981</u></u>	<u><u>\$51,745</u></u>	<u><u>\$126,077</u></u>
Reserves for Encumbrances, December 31		<u><u>\$8,000</u></u>		<u><u>\$8,000</u></u>

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

**VILLAGE OF LATTY  
PAULDING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$56,754
<b>Operating Cash Disbursements:</b>	
Personal Services	3,826
Fringe Benefits	570
Contractual Services	16,482
Supplies and Materials	6,447
Capital Outlay	4,321
Total Operating Cash Disbursements	31,646
Operating Income	25,108
<b>Non-Operating Cash Receipts:</b>	
Special Assessments	15,807
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	
Redemption of Principal	23,213
Interest	7,624
Total Non-Operating Cash Disbursements	30,837
Net Receipts Over Disbursements	10,078
Fund Cash Balances, January 1	58,105
<b>Fund Cash Balances, December 31</b>	<b>\$68,183</b>

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

**VILLAGE OF LATTY  
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**

**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 Latty, Paulding County, (the Village) as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides sewer utilities, park operations, and police services. The Village contracts with the Village of Scott for emergency medical services, and is a member of the Paulding Community Fire Association which provides fire protection.

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

**B. Basis of Accounting**

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. This basis 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 adequately disclose material matters the Auditor of State prescribes.

**C. Cash and Investments**

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

STAR Ohio is recorded at share values reported by the State Treasurer.

**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 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 and motor vehicle tax money for constructing, maintaining, and repairing streets.

**VILLAGE OF LATTY  
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**3. 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 fund:

Federal Grant Fund - This fund records the receipt and disbursement of Community Development Block Grant (CDBG) federal grant monies, which are spent on behalf of the Village.

**4. Enterprise Funds**

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

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

Sewer Debt Retirement Fund - This fund receives special assessment revenue and charges for service from residents for the purpose of making payments on Ohio Water Development Authority loans.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control, and appropriations may not exceed estimated resources. 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

**VILLAGE OF LATTY  
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

A summary of 2005 and 2004 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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2005	2004
Demand deposits	\$99,034	\$157,695
STAR Ohio	99,244	36,565
Total deposits and investments	\$198,278	\$194,260

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

**Investments:** Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$34,300	\$32,804	(\$1,496)
Special Revenue	20,455	24,692	4,237
Capital Projects	32,000	21,922	(10,078)
Enterprise	65,000	55,374	(9,626)
Total	\$151,755	\$134,792	(\$16,963)

**VILLAGE OF LATTY  
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**3. BUDGETARY ACTIVITY – (Continued)**

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$50,349	\$29,954	\$20,395
Special Revenue	47,645	24,683	22,962
Capital Projects	12,000	11,900	100
Enterprise	104,850	64,237	40,613
Total	\$214,844	\$130,774	\$84,070

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$25,000	\$48,075	\$23,075
Special Revenue	15,194	32,748	17,554
Capital Projects	20,000	32,200	12,200
Enterprise	57,000	72,561	15,561
Total	\$117,194	\$185,584	\$68,390

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$57,691	\$53,206	\$4,485
Special Revenue	49,810	39,791	10,019
Capital Projects	13,000	12,200	800
Enterprise	77,392	62,483	14,909
Total	\$197,893	\$167,680	\$30,213

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopts 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 State pays the Village amounts equaling these deductions. The Village includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment 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.

Property owners assess tangible personal property tax. They must file a list of tangible 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 the Village's behalf.

**VILLAGE OF LATTY  
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2005, was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$285,324	2.00%
Ohio Water Development Authority Loan	12,984	7.84%
Total	\$298,308	

Proceeds from the Ohio Water Development Authority (OWDA) loans were used to construct a wastewater facility and help finance the replacement of manholes. The loans were \$588,700. The Village repays \$29,153 and \$1,804 annually, including interest over the 12 years remaining in the loans. The loan is repaid from the Sewer Debt Fund (an enterprise fund) from a combination of sewer charges for services and assessments paid by the users. The Village has agreed to set utility rate sufficient to cover OWDA debt service requirements.

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

Year ending December 31:	OWDA Loan	OWDA Loan
2006	\$29,153	\$1,804
2007	29,153	1,804
2008	29,153	1,804
2009	29,153	1,804
2010	29,153	1,804
subsequent	174,920	10,829
Total	\$320,685	\$19,849

**6. RETIREMENT SYSTEMS**

**Ohio Public Employees Retirement System**

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 8.5 percent of their wages. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2005.

**Social Security**

Effective July 1, 1991, all officials and employees not otherwise covered by OPERS have an option to become a member of the Social Security System. As of December 31, 2005, two Council members and one Board of Public Affairs member have elected Social Security. Council's liability is 6.2 percent of wages.

**VILLAGE OF LATTY  
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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



**Auditor of State  
Betty Montgomery**

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

Village of Latty  
Paulding County  
650 Alexander Street, PO Box 86  
Latty, Ohio 45855-0086

To the Village Council:

We have audited the financial statements of the Village of Latty, Paulding County (the Village) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 27, 2006, 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 that the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Village's management dated June 27, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

### **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 2005-001 and 2005-002. In a separate letter to the Village's management dated June 27, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the finance committee, management, and Village Council. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 27, 2006

VILLAGE OF LATTY  
PAULDING COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004

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

FINDING NUMBER 2005-001

**Finding For Recovery**

Village of Latty, Ordinance #93-12, Section I, sets the compensation of the members of the Board of Public Affairs (the Board) at \$400 each year payable from the Sewer Revenue Fund.

William Bird, Board member, was terminated by Village Council on August 15, 2005. Mr. Bird served on the Board 7 ½ months in 2005 and should have been paid \$250. On December 12, 2005, Mr. Bird was paid \$400 for compensation as a member of the Board for 2005 resulting in an overpayment of \$150.

In accordance with the foregoing facts and pursuant to Ohio Revised Code §117.28, a finding for recovery for public money illegally expended is hereby issued against William Bird, former member of the Board, Kay Miller, Clerk-Treasurer, and Auto-Owners Mutual Insurance Company, Kay Miller's bonding company, jointly and severally, in the amount of \$150 in favor of the Village's Sewer Revenue Fund.

FINDING NUMBER 2005-002

**Finding For Recovery Repaid Under Auditor**

Village of Latty, Ordinance #93-12, Section I, sets the compensation of the members of the Board of Public Affairs (the Board) at \$400 each year payable from the Sewer Revenue Fund.

Michael Pease, Board Member, was appointed on September 12, 2005, to fill Mr. William Bird's open seat on the Board. Mr. Pease served on the Board 3 months in 2005 and should have been paid \$100. On December 31, 2005, Mr. Pease was paid \$400 for compensation as a member of the Board for 2005 resulting in an overpayment of \$300.

In accordance with the foregoing facts and pursuant to Ohio Revised Code §117.28, a finding for recovery for public money illegally expended is hereby issued against Michael Pease, member of the Board, Kay Miller, Clerk-Treasurer, and Auto-Owners Mutual Insurance Company, Kay Miller's bonding company, jointly and severally, in the amount of \$300 in favor of the Village's Sewer Revenue Fund.

On June 27, 2006, the Village received \$300 from Michael Pease.

**Officials' Response**

Officials' did not respond to these findings.





**Auditor of State  
Betty Montgomery**

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**VILLAGE OF LATTY**

**PAULDING 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  
JULY 18, 2006**