



**VILLAGE OF BLAKESLEE  
WILLIAMS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**VILLAGE OF BLAKESLEE  
TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type – For the Year Ended December 31, 1999 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1998 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type – For the Year Ended December 31, 1998 .....	6
Notes to the Financial Statements .....	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11
Schedule of Findings .....	13
Schedule of Prior Audit Findings .....	14

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

One Government Center  
Room 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

## REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Blakeslee, Williams County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. 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 audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2000 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 grants.

This report is intended solely for the information and use of management, the Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

June 29, 1999

**VILLAGE OF BLAKESLEE  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$2,291		\$2,291
Intergovernmental Receipts	17,697	\$18,716	36,413
Earnings on Investments	3,414	368	3,782
Miscellaneous		11,718	11,718
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	23,402	30,802	54,204
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	3,508	20,913	24,421
Public Health Services	401		401
Transportation	1,675	3,095	4,770
General Government	8,804		8,804
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	14,388	24,008	38,396
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over Cash Disbursements	9,014	6,794	15,808
	<hr/>	<hr/>	<hr/>
<b>Other Financing (Disbursements):</b>			
Transfers-Out	(1,000)		(1,000)
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts Over Cash Disbursements and Other Financing Disbursements	8,014	6,794	14,808
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	87,293	7,853	95,146
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$95,307</b>	<b>\$14,647</b>	<b>\$109,954</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**VILLAGE OF BLAKESLEE  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE  
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$4,643
<b>Operating Cash Disbursements:</b>	
Personal Services	100
Contractual Services	5,199
Total Operating Cash Disbursements	5,299
Deficiency of Operating Cash Receipts Under Operating Cash Disbursements Before Interfund Transfers	(656)
Transfers-In	1,000
Net Operating Cash Receipts Over Operating Cash Disbursements	344
Fund Cash Balances, January 1	311
<b>Fund Cash Balances, December 31</b>	<b>\$655</b>

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



**VILLAGE OF BLAKESLEE  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$2,442	\$6,619	\$9,061
Intergovernmental Receipts	16,432	989	17,421
Earnings on Investments	3,373		3,373
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	22,247	7,608	29,855
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	2,765		2,765
Public Health Services	404		404
Transportation		33,563	33,563
General Government	10,580	1,567	12,147
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	13,749	35,130	48,879
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	8,498	(27,522)	(19,024)
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		2,000	2,000
Transfers-Out	(2,000)		(2,000)
Other Sources	140		140
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(1,860)	2,000	140
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	6,638	(25,522)	(18,884)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	80,655	33,375	114,030
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$87,293</b> <hr/>	<hr/> <b>\$7,853</b> <hr/>	<hr/> <b>\$95,146</b> <hr/>

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

**VILLAGE OF BLAKESLEE  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE  
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$4,492
Miscellaneous	62
Total Operating Cash Receipts	4,554
<b>Operating Cash Disbursements:</b>	
Personal Services	100
Contractual Services	5,117
Total Operating Cash Disbursements	5,217
Operating Loss	(663)
Fund Cash Balances, January 1	974
<b>Fund Cash Balances, December 31</b>	<b>\$311</b>

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

**VILLAGE OF BLAKESLEE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Blakeslee, Williams County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including garbage utilities, and police services.

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

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

**C. 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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

These funds are used to 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 Funds:

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

Federal Grants Fund - This fund receives federal funds for the employment of a part time police officer in the Village.

Police Fund - This fund receives donations from local residents to be used for purchasing equipment for the Village police department.

**VILLAGE OF BLAKESLEE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. Enterprise Funds**

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

Garbage Fund - This fund receives charges for services from residents to cover the cost of providing this utility from an outside vendor.

**D. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**E. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**2. EQUITY IN POOLED CASH**

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

	<u><b>1999</b></u>	<u><b>1988</b></u>
Demand deposits	<u>\$110,609</u>	<u>\$95,457</u>

**VILLAGE OF BLAKESLEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Village.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$21,741	\$23,402	\$1,661
Special Revenue	7,000	30,802	23,802
Enterprise	4,800	5,643	843
Total	\$33,541	\$59,847	\$26,306

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$15,450	\$15,388	\$62
Special Revenue	13,500	24,008	(10,508)
Enterprise	6,000	5,299	701
Total	\$34,950	\$44,695	(\$9,745)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$20,841	\$22,387	\$1,546
Special Revenue	7,100	9,608	2,508
Enterprise	4,800	4,554	(246)
Total	\$32,741	\$36,549	\$3,808

1988 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$15,450	\$15,749	(\$299)
Special Revenue	13,500	35,130	(21,630)
Enterprise	6,000	5,217	783
Total	\$34,950	\$56,096	(\$21,146)

**VILLAGE OF BLAKESLEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

Disbursements exceeded appropriations in the Special Revenue Fund Type in 1999 and 1998 contrary to the requirements of Ohio Revised Code § 5705.41(B)

**4. PROPERTY TAX**

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

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Principals protective liability
- Business Auto



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

One Government Center  
Room 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Blakeslee, Williams County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 29, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-30186-001 and 1999-30186-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 29, 2000.

### Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated June 29, 2000.

This report is intended for the information and use of management and the Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

June 29, 2000



**VILLAGE OF BLAKESLEE  
SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 1999-30186-001**

Ohio Revised Code § 5705.41(D) states no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exception to this basic requirement is provided by statute:

- A. Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, 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 taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.
  
- B. Amounts of less than \$1,000 for political subdivisions (other than counties), may be paid by the fiscal officer without such affirmation of the taxing authority 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 taxing authority.

Fifty-seven percent of the transactions tested were not certified at the time the commitments were incurred. These commitments were not subsequently approved by the Council within the aforementioned 30 day time period.

We recommend the Clerk certify the amount required to meet a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the appropriate fund free from any previous encumbrance prior to placing an order. In instances where prior certification is not practical, we recommend issuance of a "then and now" certificate.

**FINDING NUMBER 1999-30186-002**

Ohio Revised Code § 5705.41(B) prohibits a subdivision from making expenditures without lawful appropriation. Disbursements exceeded appropriations within the Street Construction Maintenance and Repair Fund by \$25,576 in fiscal 1998. Disbursements also exceeded appropriations within the Police Department Fund by \$9,195 in fiscal 1999. We recommend the Village regularly compare actual expenditures to appropriations at the legal level of control to prevent expenditures from exceeding appropriations throughout the fiscal year. Where necessary, the Village should modify planned expenditures or appropriations.

**VILLAGE OF BLAKESLEE  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 1999 AND 1998**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain:</b></i>
1997-30186-001	Ohio Revised Code § 5705.41(D), Failure to encumber funds	No	Not Corrected. Village will utilize then and now certificates to a greater extent in the future.
1997-30186-003	Ohio Revised Code § 5705.41(B), Expenditures in excess of appropriations	No	Not Corrected. Village will compare actual expenditures to appropriations and modify the budget where necessary.



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**VILLAGE OF BLAKESLEE**

**WILLIAMS COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED**  
**AUGUST 1, 2000**