



**VILLAGE OF MOUNT BLANCHARD
HANCOCK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2003-2004



**Auditor of State
Betty Montgomery**

VILLAGE OF MOUNT BLANCHARD
HANCOCK COUNTY

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**Auditor of State
Betty Montgomery**

Village of Mount Blanchard
Hancock County
103 East Clay Street, P.O. Box 333
Mount Blanchard, Ohio 45867-0333

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

October 13, 2005

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Mount Blanchard
Hancock County
103 East Clay Street, P.O. Box 333
Mount Blanchard, Ohio 45867-0333

To the Village Council:

We have audited the accompanying financial statements of the Village of Mount Blanchard, Hancock County, (the Village) as of and for the years ended December 31, 2004 and 2003. 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. 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 year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 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 year ended December 31, 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, 2004, or its changes in financial position or cash flows of its proprietary funds 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 of the Village of Mount Blanchard, Hancock County, as of December 31, 2004 and 2003, 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, 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 October 13, 2005, 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

October 13, 2005

**VILLAGE OF MOUNT BLANCHARD
HANCOCK 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>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$22,636	\$10,000		\$32,636
Special Assessments		8,431		8,431
Intergovernmental Receipts	49,111	33,767		82,878
Charges for Services		16,459		16,459
Fines, Licenses, and Permits	75			75
Miscellaneous	2,783	546		3,329
	<u>74,605</u>	<u>69,203</u>		<u>143,808</u>
Cash Disbursements:				
Current:				
Security of Persons and Property		4,661		4,661
Public Health Services	2,090			2,090
Leisure Time Activities		50,441		50,441
Basic Utility Services	1,177			1,177
Transportation		21,141		21,141
General Government	52,608	38		52,646
Debt Service	7,407			7,407
Capital Outlay			\$7,838	7,838
	<u>63,282</u>	<u>76,281</u>	<u>7,838</u>	<u>147,401</u>
Total Cash Disbursements	<u>63,282</u>	<u>76,281</u>	<u>7,838</u>	<u>147,401</u>
Total Receipts Over/(Under) Disbursements	<u>11,323</u>	<u>(7,078)</u>	<u>(7,838)</u>	<u>(3,593)</u>
Other Financing Receipts and (Disbursements):				
Transfers-In		10,000		10,000
Transfers-Out	(10,000)			(10,000)
	<u>(10,000)</u>	<u>10,000</u>		<u></u>
Total Other Financing Receipts/(Disbursements)	<u>(10,000)</u>	<u>10,000</u>		<u></u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,323	2,922	(7,838)	(3,593)
Fund Cash Balances, January 1	<u>67,288</u>	<u>80,846</u>	<u>30,491</u>	<u>178,625</u>
Fund Cash Balances, December 31	<u>\$68,611</u>	<u>\$83,768</u>	<u>\$22,653</u>	<u>\$175,032</u>

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

**VILLAGE OF MOUNT BLANCHARD
HANCOCK COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$98,034
Operating Cash Disbursements:	
Personal Services	18,107
Contractual Services	14,738
Supplies and Materials	7,265
Capital Outlay	7,537
Total Operating Cash Disbursements	47,647
Operating Income	50,387
Non-Operating Cash Receipts:	
Property Tax and Other Local Taxes	2,257
Intergovernmental Receipts	284
Other Non-Operating Receipts	2,847
Total Non-Operating Cash Receipts	5,388
Non-Operating Cash Disbursements:	
Debt Service	3,608
Net Receipts Over Disbursements	52,167
Fund Cash Balances, January 1	142,692
Fund Cash Balances, December 31	\$194,859

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

**VILLAGE OF MOUNT BLANCHARD
HANCOCK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$21,383			\$21,383
Special Assessments		\$7,897		7,897
Intergovernmental Receipts	49,008	31,664		80,672
Charges for Services		16,354		16,354
Fines, Licenses, and Permits	75			75
Earnings on Investments	1,234			1,234
Miscellaneous	1,979	518		2,497
	<u>73,679</u>	<u>56,433</u>		<u>130,112</u>
Cash Disbursements:				
Current:				
Security of Persons and Property		4,608		4,608
Public Health Services	2,134			2,134
Leisure Time Activities		38,459		38,459
Community Environment	9,443			9,443
Basic Utility Services	2,417			2,417
Transportation		17,607		17,607
General Government	55,962	31		55,993
Debt Service	7,407			7,407
	<u>77,363</u>	<u>60,705</u>		<u>138,068</u>
Total Disbursements Over Receipts	<u>(3,684)</u>	<u>(4,272)</u>		<u>(7,956)</u>
Other Financing Receipts and (Disbursements):				
Transfers-In		20,000		20,000
Transfers-Out	(20,000)			(20,000)
	<u>(20,000)</u>	<u>20,000</u>		
Total Other Financing Receipts/(Disbursements)	<u>(20,000)</u>	<u>20,000</u>		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(23,684)	15,728		(7,956)
Fund Cash Balances, January 1	<u>90,972</u>	<u>65,118</u>	<u>30,491</u>	<u>186,581</u>
Fund Cash Balances, December 31	<u>\$67,288</u>	<u>\$80,846</u>	<u>\$30,491</u>	<u>\$178,625</u>

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

**VILLAGE OF MOUNT BLANCHARD
HANCOCK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$75,237
Operating Cash Disbursements:	
Personal Services	18,804
Contractual Services	68,277
Supplies and Materials	12,075
Capital Outlay	16,602
Total Operating Cash Disbursements	115,758
Operating Loss	(40,521)
Non-Operating Cash Receipts:	
Property Tax and Other Local Taxes	2,178
Intergovernmental Receipts	271
Proceeds from Loan	20,000
Total Non-Operating Cash Receipts	22,449
Non-Operating Cash Disbursements:	
Debt Service	3,609
Net Disbursements Over Receipts	(21,681)
Fund Cash Balances, January 1	164,373
Fund Cash Balances, December 31	\$142,692

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

**VILLAGE OF MOUNT BLANCHARD
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

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 Mount Blanchard, Hancock County, (the Village) as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides water utilities and pool and park operations. The Village contracts with the Hancock County Sheriff's department to provide security of persons and property. Fire protection services are provided to the Village by Delaware Township.

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. 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 Funds:

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

Park Fund -This fund receives charges for services from users, grants, and general fund transfers to fund park operations.

**VILLAGE OF MOUNT BLANCHARD
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Pool Replacement Fund - This fund has a balance remaining from a pool replacement project in prior years. The balance will be used for repairs and maintenance of the pool.

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:

Water Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives money from residents to help fund the installation of a planned sewer system.

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 or 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. 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.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

**VILLAGE OF MOUNT BLANCHARD
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

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.

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 CASH

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

	2004	2003
Demand deposits	\$369,891	\$321,317

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$71,872	\$74,605	\$2,733
Special Revenue	75,960	79,203	3,243
Enterprise	73,886	103,422	29,536
Total	\$221,718	\$257,230	\$35,512

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$92,548	\$73,282	\$19,266
Special Revenue	111,650	76,281	35,369
Capital Projects	30,491	7,838	22,653
Enterprise	205,660	51,255	154,405
Total	\$440,349	\$208,656	\$231,693

**VILLAGE OF MOUNT BLANCHARD
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$73,596	\$73,679	\$83
Special Revenue	96,032	76,433	(19,599)
Enterprise	63,554	97,686	34,132
Total	\$233,182	\$247,798	\$14,616

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$106,565	\$97,363	\$9,202
Special Revenue	99,250	60,705	38,545
Capital Projects	30,491		30,491
Enterprise	221,360	119,367	101,993
Total	\$457,666	\$277,435	\$180,231

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.

5. DEBT

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$20,000	0%
Ohio Public Works Commission	34,283	0%
Lease Purchase Agreement	13,876	4.50%
Total	\$68,159	

The Ohio Water Development Authority (OWDA) loan relates to a cooperative agreement with the OWDA. The loan was approved at \$25,000; however, only \$20,000 of the \$25,000 has been borrowed. The loan will be repaid in annual installments of \$2,500, interest free, over 10 years.

**VILLAGE OF MOUNT BLANCHARD
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

Payments are made from the Village's Sewer Fund, which receives revenue from sewer assessments to retire the debt.

The Ohio Public Works Commission (OPWC) loan relates to a storm sewer replacement project.

A lease/purchase agreement was entered for the purchase of a loader backhoe in 2002. The payments on the loader backhoe are to be made from the general fund.

Amortization of the above debt, including interest, follows:

<u>Year ending December 31:</u>	<u>OWDA Loan</u>	<u>OPWC</u>	<u>Lease Purchase Agreement</u>
2005	\$2,500	\$1,804	\$7,407
2006	2,500	3,609	7,407
2007	2,500	3,609	
2008	2,500	3,609	
2009	2,500	3,609	
2010-2014	7,500	18,043	
Total	<u>\$20,000</u>	<u>\$34,283</u>	<u>\$14,814</u>

6. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, 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, 2004.

7. RISK MANAGEMENT

Risk Pool Membership

The Village belongs to the Ohio Government Risk Management Plan (the Plan), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 500 Ohio governments (Members).

Pursuant to § 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 5 percent portion retained by the Plan. After September 1, 2003, the Plan pays the lesser of 5 percent or \$25,000 of casualty losses and the lesser of 5 percent or \$50,000 of property losses.

**VILLAGE OF MOUNT BLANCHARD
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities, and retained earnings at December 31:

	<u>2004</u>	<u>2003</u>
Assets	\$6,685,522	\$5,402,167
Liabilities	<u>2,227,808</u>	<u>1,871,123</u>
Members' Equity	<u>\$4,457,714</u>	<u>\$3,531,044</u>

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

8. CONTINGENT LIABILITIES

The Village is defendant in a lawsuit. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially adversely affect the Village's financial condition.

9. RELATED PARTY TRANSACTIONS

A Board of Public Affairs member's parents are the owner of a company from which the Village hired to perform electrical work during the audit period. The Village paid \$29,084 and 25,093 to the company in 2004 and 2003, respectively.

10. SUBSEQUENT EVENTS

During 2005 the Village received an additional \$264,316 in loan proceeds from the Ohio Water Development Authority to be used for the planning of a waste water treatment system.



**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 Mount Blanchard
Hancock County
103 East Clay Street, P.O. Box 333
Mount Blanchard, Ohio 45867-0333

To the Village Council:

We have audited the financial statements of the Village of Mount Blanchard, Hancock County, (the Village) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated October 13, 2005, 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 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 October 13, 2005, 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

Village of Mount Blanchard
Hancock County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2004-001. In a separate letter to the Village's management dated October 13, 2005, 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

October 13, 2005

VILLAGE OF MOUNT BLANCHARD
HANCOCK COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003

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

FINDING NUMBER 2004-001

Finding for Recovery Repaid Under Audit

On December 31, 2004 former fiscal officer, Tammy Dunbar, paid Andrew Giles \$616.48. This was for reimbursement of materials and supplies purchased for work done at the park as part of a Boy Scout Project. However, the invoices submitted for reimbursement only totaled \$493.34 resulting in an overpayment of \$123.14.

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 former fiscal officer, Tammy Dunbar, and Andrew Giles, jointly and severally, in the amount of \$123.14 in favor of the Park Fund.

Mr. Giles reimbursed the Village \$124.14 on October 14, 2005.

**VILLAGE OF MOUNT BLANCHARD
HANCOCK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004 AND 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2002-001	ORC § 5705.41 (D) failure to certify funds	Yes	
2002-002	ORC § 5705.41 (B) expenditures exceed appropriations.	No	Improvement has been made reducing this to a management letter comment.



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

VILLAGE OF MOUNT BLANCHARD

HANCOCK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 10, 2005**