



**Auditor of State
Betty Montgomery**

VILLAGE OF BLAKESLEE
WILLIAMS COUNTY

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**Auditor of State
Betty Montgomery**

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

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.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

June 14, 2006

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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, (the Village) as of and for the years ended December 31, 2005 and 2004. 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.

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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 of the Village of Blakeslee, Williams 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 years 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 14, 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 14, 2006

**VILLAGE OF BLAKESLEE
WILLIAMS 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$2,143	\$428	\$2,571
Special Assessments	1,376		1,376
Intergovernmental Receipts	19,383	10,624	30,007
Earnings on Investments	2,974	783	3,757
Miscellaneous		3,800	3,800
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	25,876	15,635	41,511
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Security of Persons and Property	2,129	1,244	3,373
Leisure Time Activities		7,189	7,189
Transportation		29,500	29,500
General Government	13,034		13,034
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	15,163	37,933	53,096
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	10,713	(22,298)	(11,585)
	<hr/>	<hr/>	<hr/>
Other Financing Disbursements:			
Transfers-Out	(500)		(500)
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	10,213	(22,298)	(12,085)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	129,876	56,251	186,127
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$140,089</u>	<u>\$33,953</u>	<u>\$174,042</u>

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

**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$4,946
Operating Cash Disbursements:	
Personal Services	564
Capital Outlay	5,361
Contractual Services	
Total Operating Cash Disbursements	5,925
Operating Loss	(979)
Transfers-In	500
Net Receipts Under Disbursements	(479)
Fund Cash Balances, January 1	684
Fund Cash Balances, December 31	\$205

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

**VILLAGE OF BLAKESLEE
WILLIAMS 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$3,094	\$505	\$3,599
Intergovernmental Receipts	18,580	9,744	28,324
Earnings on Investments	2,988	922	3,910
Miscellaneous		48,059	48,059
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	24,662	59,230	83,892
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Security of Persons and Property	2,148	1,093	3,241
Leisure Time Activities		61,427	61,427
Basic Utility Services	1,382		1,382
Transportation		2,950	2,950
General Government	17,352		17,352
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	20,882	65,470	86,352
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	3,780	(6,240)	(2,460)
	<hr/>	<hr/>	<hr/>
Other Financing Receipts and (Disbursements):			
Transfers-In		10,000	10,000
Transfers-Out	(10,000)		(10,000)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(10,000)	10,000	
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(6,220)	3,760	(2,460)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	136,096	52,491	188,587
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$129,876</u>	<u>\$56,251</u>	<u>\$186,127</u>

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

**VILLAGE OF BLAKESLEE
WILLIAMS 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	\$5,445
Operating Cash Disbursements:	
Personal Services	100
Contractual Services	5,569
Total Operating Cash Disbursements	5,669
Operating Loss	(224)
Fund Cash Balances, January 1	908
Fund Cash Balances, December 31	\$684

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

**VILLAGE OF BLAKESLEE
WILLIAMS 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 Blakeslee, Williams County, (the Village) as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides garbage services, park operations, 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 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 Recreation Fund -This fund receives donations and general fund transfers to fund construction and operation of the Village Park.

**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

3. 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 Fund:

Garbage Fund - This fund receives charges for services from residents to cover the cost of providing the collection of residents' garbage from an independent contractor.

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 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. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2005 and 2004 budgetary activity appears in Note 3.

E. 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 BLAKESLEE
WILLIAMS COUNTY**

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

2. EQUITY IN POOLED CASH

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	\$174,247	\$186,811

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

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	\$24,000	\$25,876	\$1,876
Special Revenue	15,550	15,635	85
Enterprise	5,500	5,446	(54)
Total	\$45,050	\$46,957	\$1,907

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$40,000	\$15,663	\$24,337
Special Revenue	51,500	37,933	13,567
Enterprise	6,000	5,925	75
Total	\$97,500	\$59,521	\$37,979

2004 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$24,072	\$24,662	\$590
Special Revenue	49,475	69,230	19,755
Enterprise	5,490	5,445	(45)
Total	\$79,037	\$99,337	\$20,300

**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

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

3. BUDGETARY ACTIVITY – (Continued)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$25,331	\$30,882	(\$5,551)
Special Revenue	5,115	65,470	(60,355)
Enterprise	5,700	5,669	31
Total	\$36,146	\$102,021	(\$65,875)

The following occurred contrary to Ohio law:

At December 31, 2004, budgetary expenditures exceeded appropriation authority in the General, Street Construction Maintenance & Repair, and Parks & Recreation funds.

Amendments made to the General, Street Construction Maintenance & Repair, Parks & Recreation, and Police Department funds in 2004 and the Garbage Operating fund in 2005 were not approved by Village Council.

Donations accepted for the purpose of police equipment purchases were used for parks & recreation type expenditures.

In 2004, the Village purchased playground equipment at a cost of \$54,543 and in 2005, the Village entered into a paving contract, at a cost of \$27,900. The Village did not advertise for bids in either instance.

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 BLAKESLEE
WILLIAMS COUNTY

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

5. RISK MANAGEMENT

Risk Pool Membership

The Government 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 Section 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% portion retained by the Plan. After September 1, 2003, the Plan pays the lesser of 5% or \$25,000 of casualty losses and the lesser of 5% or \$50,000 of property losses. 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, 2004 and 2003 (the latest information available):

	<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.

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

To the Village Council:

We have audited the financial statements of the Village of Blakeslee, Williams County, (the Village) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 14, 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 14, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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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 2005-001 through 2005-004. In a separate letter to the Village's management dated June 14, 2006, we reported other matters related to noncompliance we deemed immaterial.

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



Betty Montgomery
Auditor of State

June 14, 2006

**VILLAGE OF BLAKESLEE
WILLIAMS 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

Noncompliance Citation

Ohio Revised Code §5705.40 provides that appropriations measures may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation. The legally adopted appropriations varied with the appropriation modifications posted by the Clerk in the following amounts in the following funds:

Fund	Approved Appropriations	Recorded Appropriations	Variance
December 31, 2004			
General Fund	25,331	39,497	(14,166)
Street Construction & Maint. Fund	2,500	3,000	(500)
Parks & Recreation Fund		61,427	(61,427)
Police Department Fund	2,115	8,115	(6,000)
December 31, 2005			
Garbage Operating Fund	6,000	6,233	(233)

We recommend that the Clerk only post appropriation measures that have been formally adopted by the Village Council in minute records.

FINDING NUMBER 2005-002

Noncompliance Citation

Ohio Revised Code §5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated. During 2004, the Village made expenditures which exceeded appropriations in the following funds by the following amounts:

Fund	Appropriation Authority	Actual Expenditures	Variance
December 31, 2004			
General Fund	25,331	30,882	(5,551)
Street Construction Fund	2,500	2,950	(450)
Parks & Recreation Fund		61,427	(61,427)

Expenditures in excess of appropriations may result in deficit spending.

The Clerk should not certify the availability of funds and should deny payment requests exceeding appropriations. The Clerk may request Council to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

**FINDING NUMBER 2005-002
(Continued)**

We recommend that expenditures and appropriations be frequently reviewed by Village Council and the necessary adjustments be made to prevent expenditures from exceeding appropriations. These adjustments should be formally approved by the Council in the minutes and the Clerk should only make amendments to the Uniform Accounting Network (UAN) appropriations ledger based on these formally documented approvals.

FINDING NUMBER 2005-003

Noncompliance Citation

Ohio Revised Code §731.14 stipulates, in pertinent part, that all contracts made by the legislative authority of a village, exceeding \$25,000 and not subject to an enumerated exception, are subject to competitive bidding procedures. Such contracts shall be in writing and made with the lowest and best bidder after advertising for not less than two nor more than four consecutive weeks in a newspaper of general circulation within the Village. The bids shall be opened and publicly read by the clerk of the village or a person designated by the clerk at the time, date, and place specified in the advertisement to bidders.

In 2004, the Village purchased playground equipment at a cost of \$54,543 and in 2005, the Village entered into a paving contract, at a cost of \$27,900. The Village did not advertise for bids in either instance. The Village may have overpaid for these purchases. We recommend that the Village advertise for bids for all contracts when the value exceeds \$25,000.

FINDING NUMBER 2005-004

Noncompliance Citation

Ohio Revised Code §5705.10 states that money paid into any fund shall be used only for the purposes for which such fund is established.

Donations from local residents were received to be used for the purpose of police equipment purchases. The Police Department Fund was established to account for these monies.

During 2004, the Village transferred \$6,000 from the Police Department Fund to the Parks & Recreation Fund. These monies were to be used for the construction of the new village park, which is not consistent with the purpose of the Police Fund. An adjustment was made to move these monies back into the Police Department Fund.

We recommend that the Village Council verify that any expenditure or transfer from a fund is a legal and appropriate use of that fund.

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

**VILLAGE OF BLAKESLEE
WILLIAMS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005 AND 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2003-001	Ohio Revised Code § 5705.41(D), improper certification of funds	No	Partially Corrected – Reissued as a management letter comment
2003-002	Appropriations posted in the Village’s ledger differed from those legally adopted	No	Not Corrected - Reissued as finding 2005-001



**Auditor of State
Betty Montgomery**

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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
JULY 6, 2006**