

VILLAGE OF POLK

ASHLAND COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2006 & 2005

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA

Auditor of State

Village Council
Village of Polk
200 E. Congress Road
Polk, Ohio 44866

We have reviewed the *Report of Independent Accountants* of the Village of Polk, Ashland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2005 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Polk is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 27, 2007

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VILLAGE OF POLK
ASHLAND COUNTY, OHIO
Audit Report
For the years ended December 31, 2006 & 2005

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Polk
Ashland County
200 E Congress Road
Ashland, OH 44866

To the Village Council:

We have audited the accompanying financial statements of Village of Polk, Ashland County, Ohio (the Village) as and for the years ended December 31, 2006 and 2005. 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 that 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, 2006 and 2005. Instead of the combined funds the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for both years. 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 the 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, 2006 and 2005, 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, 2006 and 2005, or its changes in financial position 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 Polk as of December 31, 2006 and 2005, 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, 2006 and 2005. 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 July 25, 2007, 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 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.

Charles E. Harris & Associates, Inc.

July 25, 2007

VILLAGE OF POLK
ASHLAND COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2006

	Governmental Fund Types			(Memorandum Only) Total
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property Taxes and Other Local Taxes	\$ 9,010	\$ -	\$ -	\$ 9,010
Intergovernmental	35,810	22,566	-	58,376
Charges for Services	685	-	-	685
Licenses, Permits and Fees	200	-	-	200
Earnings on Investments	116	221	-	337
Miscellaneous	643	-	-	643
Total Cash Receipts	46,464	22,787	-	69,251
Cash Disbursements:				
General Government	30,032	-	-	30,032
Security of Persons & Property	5,279	-	-	5,279
Leisure Time Activities	1,982	-	-	1,982
Health	100	-	-	100
Community Environment	1,287	-	-	1,287
Basic Utility Services	233	-	-	233
Transportation	1,006	8,344	-	9,350
Debt Service:				
Principal Payments	-	-	850	850
Total Cash Disbursements	39,919	8,344	850	49,113
Total Cash Receipts Over/(Under) Cash Disbursements	6,545	14,443	(850)	20,138
Other Financing Sources/(Uses):				
Other Financing Uses	-	-	(426)	(426)
Total Other Financing Sources/(Uses)	-	-	(426)	(426)
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	6,545	14,443	(1,276)	19,712
Fund Balance, January 1, 2006	14,756	39,031	1,707	55,494
Fund Balance, December 31, 2006	\$ 21,301	\$ 53,474	\$ 431	\$ 75,206
Reserve for Encumbrances, December 31, 2006	\$ 1,339	\$ 54	\$ -	\$ 1,393

See accompanying Notes to the Financial Statements.

VILLAGE OF POLK
 ASHLAND COUNTY, OHIO
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
 FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
 For the Year Ended December 31, 2005

	Governmental Fund Types			(Memorandum Only) Total
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property Taxes and Other Local Taxes	\$ 8,149	\$ -	\$ -	\$ 8,149
Intergovernmental	36,394	21,342	-	57,736
Charges for Services	630	-	-	630
Licenses, Permits and Fees	200	-	-	200
Earnings on Investments	78	109	-	187
Miscellaneous	775	-	-	775
Total Cash Receipts	46,226	21,451	-	67,677
Cash Disbursements:				
General Government	33,825	-	-	33,825
Security of Persons & Property	4,834	-	-	4,834
Leisure Time Activities	1,309	-	-	1,309
Health	100	-	-	100
Community Environment	1,648	-	-	1,648
Basic Utility Services	217	-	-	217
Transportation	5,241	1,263	-	6,504
Debt Service:				
Principal Payments	-	-	850	850
Total Cash Disbursements	47,174	1,263	850	49,287
Total Cash Receipts Over/(Under) Cash Disbursements	(948)	20,188	(850)	18,390
Other Financing Sources/(Uses):				
Transfers In	-	-	1,800	1,800
Transfers Out	(1,800)	-	-	(1,800)
Total Other Financing Sources/(Uses)	(1,800)	-	1,800	-
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(2,748)	20,188	950	18,390
Fund Balance, January 1, 2005	17,504	18,843	757	37,104
Fund Balance, December 31, 2005	\$ 14,756	\$ 39,031	\$ 1,707	\$ 55,494

See accompanying Notes to the Financial Statements.

VILLAGE OF POLK
ASHLAND COUNTY, OHIO

Notes To The Financial Statements
For The Years Ended December 31, 2006 & 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Village of Polk, (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 operates under a council/mayor form of government. Elected Officials include six council members, a clerk/treasurer and a mayor. The Village provides general government services, including maintenance of Village streets. The Polk-Jackson-Perry Fire District provides fire protection and EMS 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 by the Auditor of State.

C. CASH AND INVESTMENTS

The Village maintains all cash in a checking account.

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

2. Special Revenue Funds

To account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund – This fund receives gasoline tax monies from State of Ohio for construction and repair of Village streets.

VILLAGE OF POLK
ASHLAND COUNTY, OHIO

Notes To The Financial Statements
For The Years Ended December 31, 2006 & 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

D. FUND ACCOUNTING - (continued)

3. Capital Projects Funds

These funds are 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 projects funds:

Village Capital Improvement Fund - This fund receives grant monies and loan proceeds to be used towards the Village streets and storm drainage improvements.

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. The 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 balances 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.

A summary of 2006 & 2005 budgetary activity appears in Note 3.

F. 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.

**VILLAGE OF POLK
ASHLAND COUNTY, OHIO**

**Notes To The Financial Statements
For The Years Ended December 31, 2006 & 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

G. ACCUMULATED LEAVE

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2006	2005
Demand Deposits	\$ <u>75,206</u>	\$ <u>55,494</u>
Total Deposits	\$ <u>75,206</u>	\$ <u>55,494</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation; (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2006 and 2005 is as follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$47,560	\$46,464	\$(1,097)
Special Revenue	16,577	22,787	6,210
Capital Projects	-	-	-
Total	<u>\$64,137</u>	<u>\$69,251</u>	<u>\$5,113</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$62,316	\$41,258	\$21,058
Special Revenue	55,609	8,398	47,211
Capital Projects	1,707	1,276	431
Total	<u>\$119,632</u>	<u>\$50,932</u>	<u>\$68,700</u>

**VILLAGE OF POLK
ASHLAND COUNTY, OHIO**

**Notes To The Financial Statements
For The Years Ended December 31, 2006 & 2005**

3. BUDGETARY ACTIVITY – (continued)

<u>Fund Type</u>	2005 Budgeted vs. Actual Receipts		<u>Variance</u>
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	
General	\$53,312	\$46,226	\$ (7,086)
Special Revenue	16,577	21,451	4,874
Capital Projects	1,800	1,800	0
Total	\$71,689	\$69,477	\$ (2,212)

<u>Fund Type</u>	2005 Budgeted vs. Actual Budgetary Basis Expenditures		<u>Variance</u>
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	
General	\$70,809	\$48,974	\$21,835
Special Revenue	35,420	1,263	34,157
Capital Projects	2,557	850	1,707
Total	\$108,786	\$51,087	\$57,699

4. PROPERTY TAXES

Real property becomes 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 payments, 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 on the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEM

Full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

VILLAGE OF POLK
ASHLAND COUNTY, OHIO

Notes To The Financial Statements
For The Years Ended December 31, 2006 & 2005

5. RETIREMENT SYSTEM – (continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2006, OPERS members contributed 9% of their gross salaries. For 2005, OPERS members contributed 8.5 % of their gross salaries. The Village contributed an amount equal to 13.70% for 2006 and 13.55% for 2005 of participants' gross salaries. The Village has paid all contributions required through December 31, 2006.

6. RISK MANAGEMENT

The Village belongs to the Ohio Government Risk Management Plan, an unincorporated non-profit association over 600 government entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed 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 uses conventional insurance coverage and reinsures these coverage's 100% rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

Settled claims have not exceeded this commercial coverage in any of the last two years. There have been significant reductions in insurance coverage from last year.

7. DEBT

Debt outstanding at December 31, 2006 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	<u>\$3,400</u>	0%
Total	<u>\$3,400</u>	

The Ohio Water Development Authority Loans were used for wastewater feasibility study project. The loan will be paid in annual installments of \$850 with no interest through December 31, 2010. The loan is collateralized by the Village's taxing authority.

Principal requirements to retire long-term obligations outstanding at December 31, 2006 are as follows:

VILLAGE OF POLK
ASHLAND COUNTY, OHIO

Notes To The Financial Statements
For The Years Ended December 31, 2006 & 2005

7. DEBT – (continued)

	<u>OWDA Loan</u>
Year Ending Dec. 31:	
2007	\$ 850
2008	850
2009	850
2010	850
	<u>\$ 3,400</u>

8. CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits.

9. LEGAL COMPLIANCE

The Village did not properly certify the availability of funds for its non-payroll expenditures contrary to Section 5705.41(D) of the Ohio Revised Code.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Village of Polk
Ashland County
200 E Congress Road
Ashland, OH 44866

To the Village Council:

We have audited the financial statements of the Village of Polk, Ashland County, Ohio (Village) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated July 25, 2007, wherein we noted the Village followed accounting practices prescribed or permitted by the Auditor of State of Ohio rather than generally accepted accounting principles. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting practices prescribed or permitted by the Auditor of State of Ohio such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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, grants agreements and other matters, 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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2006-Polk-001.

We also noted certain matters that we have reported to management of the Village in a separate letter dated July 25, 2007.

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.

Charles E. Harris & Associates, Inc.
July 25, 2007

VILLAGE OF POLK
ASHLAND COUNTY
SCHEDULE OF FINDINGS
December 31, 2006 & 2005

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2006-Polk-001 Noncompliance Citation

Ohio Revised Code Section 5705.41 (D), requires, in part, that no subdivision or taxing unit shall make any contract or order any expenditure unless there is attached thereto a certificate of the Clerk/Treasurer of the subdivision certifying that the amount required to meet the obligation has been lawfully appropriated for such purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Every contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

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

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

Amounts of less than \$3,000 may be paid by the Clerk/Treasurer without an ordinance or resolution 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 expenditure by the Village.

Blanket Certificate – Clerk/Treasurers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by ordinance or resolution adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

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

VILLAGE OF POLK
ASHLAND COUNTY
SCHEDULE OF FINDINGS – (continued)
December 31, 2006 & 2005

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2006-Polk-001 Noncompliance Citation (continued)

The Village did not make the proper certification of funds in all instances. All 60 selections tested during the audit period had the certifications after the obligation date. We recommend that the Village institute the use of purchase orders for any expenditure to be made and certify expenditures prior to incurring the liability. In instances where prior certification is not practical, we recommend the issuance of a “Then and Now” certificate.

The Clerk/Treasurer indicated that she will attempt to certify funds prior to purchases or use “Then and Now” certificates.

VILLAGE OF POLK
 ASHLAND COUNTY, OHIO
 For the Years Ended December 31, 2006 and 2005

SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2004-Polk-001	Ohio Rev. Code Section 5705.41(D)- Failure to certify funds	No	Not corrected. Issued as finding 2006-Polk-001



Mary Taylor, CPA
Auditor of State

VILLAGE OF POLK

ASHLAND 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
SEPTEMBER 6, 2007