



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

---

**STATE OF OHIO**



VILLAGE OF BLAKESLEE  
WILLIAMS COUNTY

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center  
Suite 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

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 (the Village) as of and for the years ended December 31, 2001 and 2000. 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 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. 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 audit provides 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, 2001 and 2000, 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 13, 2002 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, 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". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

June 13, 2002

**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, 2001**

	<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	\$3,163	\$446	\$3,609
Intergovernmental Receipts	19,270	19,253	38,523
Charges for Services	1		1
Earnings on Investments	6,209	1,101	7,310
Miscellaneous	127	12,623	12,750
	<hr/>		
Total Cash Receipts	28,770	33,423	62,193
<hr/>			
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	2,117	16,759	18,876
Basic Utility Services	5,210		5,210
Transportation	1,525	4,240	5,765
General Government	10,906		10,906
	<hr/>		
Total Cash Disbursements	19,758	20,999	40,757
<hr/>			
Total Cash Receipts Over Cash Disbursements	9,012	12,424	21,436
<hr/>			
<b>Other Financing Receipts</b>			
Sale of Fixed Assets	1,151		1,151
<hr/>			
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	10,163	12,424	22,587
<hr/>			
Fund Cash Balances, January 1	113,619	26,098	139,717
<hr/>			
<b>Fund Cash Balances, December 31</b>	<b>\$123,782</b>	<b>\$38,522</b>	<b>\$162,304</b>
<hr/> <hr/>			

*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, 2001**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$5,449
<b>Operating Cash Disbursements:</b>	
Personal Services	100
Contractual Services	5,304
Total Operating Cash Disbursements	5,404
Operating Income	45
Fund Cash Balance, January 1	167
<b>Fund Cash Balance, December 31</b>	<b>\$212</b>

*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, 2000**

	<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	\$2,698	\$673	\$3,371
Intergovernmental Receipts	22,857	19,242	42,099
Charges for Services	1		1
Earnings on Investments	4,850	714	5,564
Miscellaneous	3,412	12,624	16,036
Total Cash Receipts	33,818	33,253	67,071
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	2,104	17,487	19,591
Transportation		2,040	2,040
General Government	12,102	2,275	14,377
Total Cash Disbursements	14,206	21,802	36,008
Total Cash Receipts Over Cash Disbursements	19,612	11,451	31,063
<b>Other Financing Disbursements:</b>			
Transfers Out	(1,300)		(1,300)
Excess of Cash Receipts Over Cash Disbursements and Other Financing Disbursements	18,312	11,451	29,763
Fund Cash Balances, January 1	95,307	14,647	109,954
<b>Fund Cash Balances, December 31</b>	<b><u>\$113,619</u></b>	<b><u>\$26,098</u></b>	<b><u>\$139,717</u></b>

*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, 2000**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$4,535
<b>Operating Cash Disbursements:</b>	
Personal Services	100
Contractual Services	6,223
Total Operating Cash Disbursements	6,323
Operating Loss	(1,788)
Transfers-In	1,300
Net Disbursements Over Receipts	(488)
Fund Cash Balance, January 1	655
<b>Fund Cash Balance, December 31</b>	<b>\$167</b>

*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, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Blakeslee (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 water and sewer utilities, 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 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. Cash and Investments**

Certificates of deposit are valued at cost.

**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. 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  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(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 the collection of residents' garbage from an outside vendor.

**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. 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 2001 and 2000 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.

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

The Village maintains a cash and investments 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:

**VILLAGE OF BLAKESLEE  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

	2001	2000
Demand deposits	\$82,453	\$64,884
Certificates of deposit	80,063	75,000
Total deposits and investments	\$162,516	\$139,884

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 2001 and 2000 follows:

**2001 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$31,180	\$29,921	(\$1,259)
Special Revenue	25,297	33,423	8,126
Enterprise	5,320	5,449	129
Total	\$61,797	\$68,793	\$6,996

**2001 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$30,012	\$19,758	\$10,254
Special Revenue	22,134	20,999	1,135
Enterprise	5,404	5,404	
Total	\$57,550	\$46,161	\$11,389

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$22,700	\$33,818	\$11,118
Special Revenue	35,499	33,253	(2,246)
Enterprise	4,840	5,835	995
Total	\$63,039	\$72,906	\$9,867

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$22,813	\$15,506	\$7,307
Special Revenue	28,064	21,802	6,262
Enterprise	4,940	6,323	(1,383)
Total	\$55,817	\$43,631	\$12,186

**VILLAGE OF BLAKESLEE  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

The Village did not fully comply with § 5705.41(B) of the Ohio Revised Code which requires expenditures not to exceed appropriations.

**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 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 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 belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to § 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 coverages and reinsures these coverages 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.

**6. RELATED PARTY**

On November 26, 2001, as part of a competitive bidding process Village Council member Jeffrey Pease Sr. purchased a parcel of real estate from the Village of Blakeslee for \$1,151.



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JIM PETRO, AUDITOR OF STATE

One Government Center  
Suite 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 (the Village) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 13, 2002. We conducted our audits 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.

**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 are described in the accompanying schedule of findings as items 2001-30186-001 and 2001-30186-002. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated June 13, 2002.

**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 13, 2002.

Village of Blakeslee  
Williams County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely for the information and use of management and 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". The signature is stylized with a large loop at the end of the last name.

**Jim Petro**  
Auditor of State

June 13, 2002



**VILLAGE OF BLAKESLEE  
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000**

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

**FINDING NUMBER 2001-30186-001**

Ohio Revised Code § 5705.41(D) provides that 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. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon,

Should this requirement not be met, this section provides two exceptions which could prevent the contract from being void:

- 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.

The Village Clerk did not make prior certification of funds for 40 percent of the transactions tested nor were there then and now certificates used. We recommend the Clerk certify all expenditures at the point when the contract is entered into or orders for goods or services are placed by Village officials. In instances where prior certification is not practical, we recommend issuance of a "then and now" certificate.

**FINDING NUMBER 2001-30186-002**

Ohio Revised Code § 5705.41(B) prohibits a subdivision from making expenditures without lawful appropriation. The following funds were found to have disbursements exceeding their appropriations by the amounts listed at December 31, 2001 or at December 31, 2000:

Fund	Appropriation Amount	Total Disbursements	Variance
<i>Fiscal Year 2001:</i>			
<i>Special Revenue Funds:</i>			
Police Department Fund	\$5,200	\$7,925	(\$2,725)
County Permissive Motor Vehicle License Tax Fund		2,500	(2,500)

**FINDING NUMBER 2001-30186-002  
 (Continued)**

Fund	Appropriation Amount	Total Disbursements	Variance
<i>Fiscal Year 2000:</i>			
<i>Special Revenue Funds:</i>			
State Permissive Motor Vehicle License Tax Fund		569	(569)
<i>Enterprise Fund:</i>			
Garbage Fund	4,940	6,323	(1,383)

The Village Council could have increased appropriations up to the actual amounts available (actual revenues and unencumbered fund balances) in these funds. The Village Council should closely monitor appropriations and expenditures in all funds to avoid noncompliance with this code section.

**VILLAGE OF BLAKESLEE  
WILLIAMS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
1999-30186-001	Ohio Revised Code § 5705.41(D), Failure to encumber funds.	No	Not corrected. Village will utilize regular blanket purchase orders and also then and now certificates to a greater extent in the future. Reissued as finding 2001-30186-001.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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  
JULY 18, 2002**