

VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005



Mary Taylor, CPA

Auditor of State

Village Council
Village of Elgin
Box 29
Elgin, Ohio 45838

We have reviewed the *Independent Auditor's Report* of the Village of Elgin, Van Wert County, prepared by E. S. Evans and Company, 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 *Independent Auditor's Report* 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 *Independent Auditor's Report* 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 Elgin is responsible for compliance with these laws and regulations.

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Mary Taylor, CPA
Auditor of State

August 29, 2007

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VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

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E.S. Evans and Company

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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

June 28, 2007

INDEPENDENT AUDITOR'S REPORT

Village of Elgin
Van Wert County, Ohio

We have audited the accompanying financial statements of the Village of Elgin, Van Wert County, Ohio, (the Village) as of 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 Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 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.

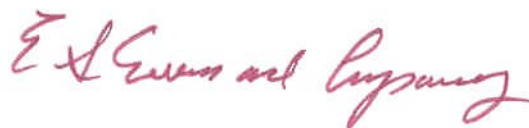
Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also to present its larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. 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 of the Village 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 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 28, 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 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.

A handwritten signature in red ink, appearing to read "E. J. ... and ...", is located in the lower right quadrant of the page.

VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL
FUND TYPES

For the Year Ended December 31, 2006

	<u>Governmental Fund Types</u>			<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
<u>Cash Receipts:</u>				
Local Taxes	\$ 1,355	\$ -	\$ -	\$ 1,355
Intergovernmental Revenues	18,437	2,308	-	20,745
Interest Revenues	1,966	-	-	1,966
Total Cash Receipts	<u>21,758</u>	<u>2,308</u>	<u>-</u>	<u>24,066</u>
<u>Cash Disbursements:</u>				
Current -				
General Government	16,762	-	-	16,762
Security of Persons & Property	2,364	-	-	2,364
Leisure Time Activities	2,116	-	-	2,116
Public Health	3,026	-	-	3,026
Transportation	435	298	-	733
Capital Outlay	-	-	-	-
Total Cash Disbursements	<u>24,703</u>	<u>298</u>	<u>-</u>	<u>25,001</u>
Total Cash Receipts Over/(Under)				
Cash Disbursements	(2,945)	2,010	-	(935)
<u>Fund Cash Balance - January 1, 2006</u>	<u>69,911</u>	<u>6,149</u>	<u>-</u>	<u>76,060</u>
<u>Fund Cash Balance - December 31, 2006</u>	<u>\$ 66,966</u>	<u>\$ 8,159</u>	<u>\$ -</u>	<u>\$ 75,125</u>

The accompanying notes are an integral part
of these financial statements.

VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

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</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
<u>Cash Receipts:</u>				
Local Taxes	\$ 1,611	\$ -	\$ -	\$ 1,611
Intergovernmental Revenues	17,580	2,275	38,700	58,555
Interest Revenues	1,897	-	-	1,897
Total Cash Receipts	<u>21,088</u>	<u>2,275</u>	<u>38,700</u>	<u>62,063</u>
<u>Cash Disbursements:</u>				
Current -				
General Government	11,998	-	-	11,998
Security of Persons & Property	2,145	-	-	2,145
Leisure Time Activities	3,034	-	-	3,034
Public Health	26	-	-	26
Transportation	1,685	48	-	1,733
Capital Outlay	4,969	4,219	38,700	47,888
Total Cash Disbursements	<u>23,857</u>	<u>4,267</u>	<u>38,700</u>	<u>66,824</u>
Total Cash Receipts Over/(Under)				
Cash Disbursements	(2,769)	(1,992)	-	(4,761)
<u>Fund Cash Balance - Jan 1, 2005 - Restated - Note 7</u>	<u>72,680</u>	<u>8,141</u>	<u>-</u>	<u>80,821</u>
<u>Fund Cash Balance - December 31, 2005</u>	<u>\$ 69,911</u>	<u>\$ 6,149</u>	<u>\$ -</u>	<u>\$ 76,060</u>

The accompanying notes are an integral part
of these financial statements.

VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 1 - Summary of Significant Accounting Policies

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Elgin, Van Wert County, (the Village), as a political and corporate body. A publicly-elected six-member Council governs the Village. The Village provides general government services including park operations and street maintenance.

The Village's management believes the financial statements present all activities for which the Village is financially accountable.

Basis of Accounting

These financial statements follow the accounting basis prescribed or permitted by the Auditor of State. This basis is similar to the cash receipts and disbursements basis of accounting. Consequently, receipts are recognized when received 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.

Cash and Investments

The Village maintains a checking account which is valued at cost.

Fund Accounting

The Village uses fund accounting to segregate cash that is restricted to use. The Village classifies its funds into the following types:

General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 1 - Summary of Significant Accounting Policies - (continued)

Fund Accounting - (continued)

Special Revenue Funds

The Special Revenue Funds account for proceeds from specific sources (other than 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 to pay for constructing, maintaining, and repairing Village Streets.

State Highway Fund – This fund receives gasoline tax and motor vehicle tax money to pay for constructing, maintaining, and repairing the Village highways.

Permissive Motor Vehicle License Fund – This fund receives the proceeds of a levied license fee for constructing, maintaining, and repairing roads.

Capital Projects Funds

The Capital Projects Funds are used to account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Projects Funds:

Public Works Projects Fund – The fund accounts for grants from the State of Ohio through the County Auditor for repaving of roads.

Budgetary Process

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

Estimated Resources

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

VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 1 - Summary of Significant Accounting Policies - (continued)

Budgetary Process – (continued)

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund or function 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.

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 2006 and 2005 budgetary activity appears in Note 3.

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.

Accumulated Leave

In certain n circumstances, such as leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Note 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:

	2006	2005
Demand Deposits	\$ 19,271	\$ 22,172
Certificates of Deposit	55,854	53,888
Total Deposits	\$ <u>75,125</u>	\$ <u>76,060</u>

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

VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 3 – Budgetary Activity

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

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 87,737	\$ 21,758	\$ (65,979)
Special Revenue	13,498	2,308	(11,190)
Capital Projects	-	-	-
	<u>\$ 101,235</u>	<u>\$ 24,066</u>	<u>\$ (77,169)</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 55,400	\$ 24,703	\$ 30,697
Special Revenue	15,500	298	15,202
Capital Projects	-	-	-
	<u>\$ 70,900</u>	<u>\$ 25,001</u>	<u>\$ 45,899</u>

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 83,656	\$ 21,088	\$ (62,568)
Special Revenue	18,664	2,275	(16,389)
Capital Projects	-	38,700	38,700
	<u>\$ 102,320</u>	<u>\$ 62,063</u>	<u>\$ (40,257)</u>

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 59,750	\$ 23,857	\$ 35,893
Special Revenue	15,500	4,267	11,233
Capital Projects	-	38,700	(38,700)
	<u>\$ 75,250</u>	<u>\$ 66,824</u>	<u>\$ 8,426</u>

VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 3 – Budgetary Activity – (continued)

Contrary to Ohio law, appropriations exceed estimated resources in the Street Construction, Maintenance and Repair Fund – Special Revenue Fund by \$3,657 at December 31, 2006.

Contrary to Ohio law, no estimated resources or appropriations were filed for the Public Works Project Fund – Capital Projects Fund for 2005.

Note 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.

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.

Note 5 – Retirement Systems

Ohio Public Employees Retirement System (OPERS)

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 2006 and 2005, OPERS members contributed 9.0 and 8.5 percent, respectively, of their gross salary. The Village contributed an amount equal to 13.70 percent for 2006 and 13.55 percent for 2005 of participants' gross salaries. The Village has paid all required contributions through December 31, 2006.

Note 6 - Risk Management

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles

VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 7 – Prior Period Restatement

Balances at 1-1-05 were restated to include interest earned and paid on a Certificate of Deposit in 2004 and not reflected on the prior audit report.

	General Fund
Balance at 12-31-04 per prior audit report	\$ 72,532
Interest on Certificate of Deposit from 2004 not previously recorded	148
Restated balance at 1-1-05	\$ <u>72,680</u>



E.S. Evans and Company

Certified Public Accountants and Consultants

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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

June 28, 2007

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Village of Elgin
Van Wert County, Ohio

We have audited the financial statements of the Village of Elgin, Van Wert County, Ohio, (the Village) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated June 28, 2007, 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 Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Elgin'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 of Elgin's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Elgin's internal control over financial reporting.

Our consideration of the 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. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 of Elgin's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Village of Elgin's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

We consider the following deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting: 2006-001 & 2006-002.

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 of Elgin's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe none of the significant deficiencies described above are material weaknesses.

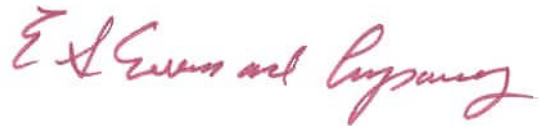
We also noted certain internal control matters that we reported to the Village of Elgin's management in separate letter dated June 28, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the Village of Elgin'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 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying schedule of findings as items 2006-001 & 2006-002.

In a separate letter to the Village of Elgin's management dated June 28, 2007, we reported other matters related to noncompliance.

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

A handwritten signature in red ink, appearing to read "E. J. ... and ...", is located in the lower right quadrant of the page.

VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2006 and 2005

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

Finding Number 2006-001 – Noncompliance Citation and Significant Deficiency

Chapter 5075 of the Revised Code sets forth a scheme that provides for a uniform budget and appropriation process in order to assure that a government entity expends no more that it expects to receive in revenue. In order to accomplish this end, all appropriations must be accounted to and from each appropriation fund. While federal and state loans and grants are deemed appropriated and in the process of collection so as to be available for expenditure, they must still be recorded. R.C. 5075.42. Thus, a mechanism is still required to account for receipt and expenditure. That mechanism is an amendment of, or a supplement to, the entity's estimated resources, or its appropriation measure, which shall comply with all provisions of law governing the taxing authority in making an original appropriation. R.C. 5705.40. An original appropriation measure must be passed by the taxing authority, and any amendment of, or supplement to, that measurer also requires legislative action. R.C. 5705.38.

In 2005, the Village was the beneficiary of \$38,700 of State Funding through the Ohio Public Works Commission. This activity was not recorded on the ledgers of the Village. Since the State paid the invoices, the Village did not receive this cash. However, Auditor of State Bulletin 2000-008 and 2002-004 prescribe recording these transactions as receipts and disbursements when the Village applies for a project and has administrative responsibilities. The accompanying financial statements were adjusted to reflect these amounts in a Capital Project Fund. These funds were not appropriated causing expenditures to exceed appropriations in the Capital Projects fund by \$38,700 in 2005, contrary to R. C. 5705.41(B) which requires all expenditures to be appropriated.

We recommend the Village record all benefits received from state or federal grants as a memo receipt and expenditure at the time acquired and expended on the Village's records and appropriate funds for the expenditures. In addition, Village management should review Auditor of State Bulletins 2000-008 and 2002-004.

VILLAGE RESPONSE – The Village will look into these requirements and correctly handle this in the future.

VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2006 and 2005

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

Finding Number 2006-002 – Noncompliance Citation and Significant Deficiency

Ohio Revised Code § 5705.41 (D)(1) states that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying 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 such contract made without such a certificate shall void and no warrant shall be issued in payment of any amount due thereon.

However, there are several exceptions to the standard requirement stated above that a fiscal officer'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.

1. "Then and Now" certificate — If the fiscal officer can certify that both at the time that 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 Council can authorize the drawing of a warrant for the payment of the amount due. The Village Council 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 fiscal officer without a resolution or ordinance 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 Village.

2. Blanket Certificate — Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance 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.

VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2006 and 2005

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

Finding Number 2006-002 – Noncompliance and Significant Deficiency – (continued)

3. 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.

Certification is not only required by Ohio law, but is a key control in the disbursements process to help assure purchase commitments receive prior approval, and to help reduce the possibility of Village funds being over expended or exceeding budgetary spending limitations as set by the Village Council.

To improve controls over disbursements, we recommend all Township disbursements receive prior certification of the Fiscal Officer and the Trustees periodically review the expenditures made to ensure they are within the appropriations adopted by the Trustees, certified by the Fiscal Officer, and recorded against appropriations.

The Village has started using a “Then and Now” stamp but there is not any certification language on the Village purchase orders and thus they are not valid.

VILLAGE RESPONSE – The Village will correct this in the future.

VILLAGE OF ELGIN
VAN WERT COUNTY, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2006 and 2005

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2004-001	Finding for Recovery	YES	Repaid to the Village on October 27, 2005
2004-002	ORC 5705.41 (D)	No	Repeated as current finding #2006-002



Mary Taylor, CPA
Auditor of State

VILLAGE OF ELGIN

VAN WERT 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 11, 2007