

**VILLAGE OF CHATFIELD**  
**CRAWFORD COUNTY**  
REPORT ON FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006





# Mary Taylor, CPA

Auditor of State

Village Council  
The Village of Chatfield  
6799 State Route 4  
P. O. Box 102  
Chatfield, Ohio 44825

We have reviewed the *Independent Auditors' Report* of The Village of Chatfield, Crawford County, prepared by Holbrook & Manter, for the audit period January 1, 2006 through December 31, 2007. 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 Chatfield is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

August 21, 2008

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## INDEPENDENT AUDITORS' REPORT

Village Council  
Village of Chatfield  
Crawford County

We have audited the accompanying financial statements of the Village of Chatfield, Crawford County, Ohio, (the Village) as of and for the years ended December 31, 2007 and 2006. 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 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 audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State of Ohio 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.

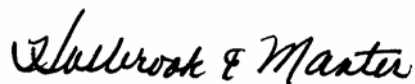
Instead of the combined funds the accompanying financial statements present for 2007 and 2006, GAAP requires presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State of Ohio 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 of Ohio 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, 2007 and 2006 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, 2007 and 2006, 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 of Chatfield, Crawford County of Ohio, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The Government 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 16, 2008 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.



Certified Public Accountants

June 16, 2008

**VILLAGE OF CHATFIELD**  
**CRAWFORD COUNTY**  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash receipts:-</b>			
Local taxes	\$ 2,635	\$ 0	\$ 2,635
Intergovernmental	13,424	5,806	19,230
Charges for services	0	0	0
Fines, licenses, and permits	220	0	220
Earnings on investments	374	103	477
Miscellaneous	795	0	795
	<u>17,448</u>	<u>5,909</u>	<u>23,357</u>
Total cash receipts	17,448	5,909	23,357
<b>Cash disbursements:-</b>			
<b>Current:-</b>			
Security of persons and property	4,862	0	4,862
Public health services	502	0	502
Basic utility services	3,575	0	3,575
Transportation	0	1,450	1,450
General government	12,960	0	12,960
Capital outlay	0	0	0
	<u>21,899</u>	<u>1,450</u>	<u>23,349</u>
Total cash disbursements	21,899	1,450	23,349
Total receipts over (under) cash disbursements	( 4,451)	4,459	8
Fund cash balances, January 1, 2007	<u>45,601</u>	<u>35,389</u>	<u>80,990</u>
<b>Fund cash balances, December 31, 2007</b>	<u>\$ 41,150</u>	<u>\$ 39,848</u>	<u>\$ 80,998</u>

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



**VILLAGE OF CHATFIELD**  
**CRAWFORD COUNTY**  
 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>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash receipts:-</b>			
Local taxes	\$ 2,740	\$ 0	\$ 2,740
Intergovernmental	12,667	6,743	19,410
Fines, licenses, and permits	220	0	220
Earnings on investments	382	129	511
Miscellaneous	3,934	0	3,934
	<hr/>	<hr/>	<hr/>
Total cash receipts	19,943	6,872	26,815
<b>Cash disbursements:-</b>			
<b>Current:-</b>			
Security of persons and property	5,347	0	5,347
Public health services	421	0	421
Transportation	0	1,750	1,750
Basic utility services	1,420	0	1,420
General government	16,998	0	16,998
Capital outlay	4,000	0	4,000
	<hr/>	<hr/>	<hr/>
Total cash disbursements	28,186	1,750	29,936
Total receipts over (under) cash disbursements	( 8,243)	5,122	( 3,121)
Fund cash balances, January 1, 2006 (Restated)	<hr/>	<hr/>	<hr/>
	53,844	30,267	84,111
<b>Fund cash balances, December 31, 2006</b>	<u>\$ 45,601</u>	<u>\$ 35,389</u>	<u>\$ 80,990</u>

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

**VILLAGE OF CHATFIELD  
CRAWFORD COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-**

- A. **Description of the Entity** - The Village of Chatfield, Crawford County, Ohio, (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 general governmental 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** - The Village maintains an interest bearing checking account and a certificate of deposit 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:

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**Special Revenue Funds**

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 Fund:

*Street Construction, Maintenance and Repair Fund*

This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

- E. **Budgetary Process** - The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**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 Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and subsequent amendments. Unencumbered appropriations lapse at year-end.

**VILLAGE OF CHATFIELD  
CRAWFORD COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-** (continued)

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 and amendments.

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. The Village does not use the encumbrance method of accounting.

A summary of 2007 and 2006 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.

**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:

	<b>2007</b>	<b>2006</b>
Demand deposits	\$ 72,998	\$ 72,990
Certificates of deposit	8,000	8,000
Total fund cash balances	\$ 80,998	\$ 80,990

**Demand Deposits** - The Village's deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Village, or (3) collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF CHATFIELD**  
**CRAWFORD COUNTY**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

**NOTE 3 - BUDGETARY ACTIVITY :-**

Budgetary activity for the year ending December 31, 2007 was as follows:

**2007 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 17,000	\$ 17,448	\$ 448
Special Revenue	<u>6,800</u>	<u>5,909</u>	<u>( 891)</u>
<b>Total</b>	<b><u>\$ 23,800</u></b>	<b><u>\$ 23,357</u></b>	<b><u>\$ ( 443)</u></b>

**2007 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 62,000	\$ 21,899	\$ 40,101
Special Revenue	<u>41,500</u>	<u>1,450</u>	<u>40,050</u>
<b>Total</b>	<b><u>\$ 103,500</u></b>	<b><u>\$ 23,349</u></b>	<b><u>\$ 80,151</u></b>

Contrary to Ohio law, actual receipts were less than estimated resources during 2007 in the Special Revenue Funds by \$891.

**VILLAGE OF CHATFIELD**  
**CRAWFORD COUNTY**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

**NOTE 3 - BUDGETARY ACTIVITY** :- (continued)

Budgetary activity for the year ending December 31, 2006 was as follows:

**2006 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 16,800	\$ 19,943	\$ 3,143
Special Revenue	<u>7,300</u>	<u>6,872</u>	<u>( 428)</u>
<b>Total</b>	<b><u>\$ 24,100</u></b>	<b><u>\$ 26,815</u></b>	<b><u>\$ 2,715</u></b>

**2006 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 69,000	\$ 28,186	\$ 40,814
Special Revenue	<u>37,000</u>	<u>1,750</u>	<u>35,250</u>
<b>Total</b>	<b><u>\$ 106,000</u></b>	<b><u>\$ 29,936</u></b>	<b><u>\$ 76,064</u></b>

Contrary to Ohio law, actual receipts were less than estimated resources during 2006 in the Special Revenue Funds by \$428.

**VILLAGE OF CHATFIELD  
CRAWFORD COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**NOTE 4 - PROPERTY TAX:-**

Real property taxes become a lien on January 1, preceding the October 1 date for which rates are adopted by the Village Council. The State Council 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.

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 personal property tax is being phased out over a five year period.

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

**NOTE 5 - RETIREMENT SYSTEMS:-**

The Village Solicitor belongs to the Public Employees Retirement System (PERS) of Ohio. PERS 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2007 and 2006, the Village's member contributed 9.5% and 9.0% of his gross salaries, respectively. The Village contributed an amount equal to 13.85% and 13.70% of participants' gross salaries for 2007 and 2006, respectively. The Village has paid all contributions required through December 31, 2007.

**NOTE 6 - RISK MANAGEMENT:-**

***Commercial Insurance***

The Village has obtained commercial insurance for the following risk:

- Comprehensive property and general liability
- Public Officials Liability

**NOTE 7 - RESTATEMENT OF BEGINNING FUND BALANCES**

The following adjustments were made to correct the beginning audited balances as of January 1, 2006. The correction is in connection with an audit adjustment that was incorrectly recorded during the prior audit.

<b>Fund Type</b>	<b>Balances</b>		<b>Balances</b>	
	<b>12/31/05</b>	<b>Adjustments</b>	<b>1/1/06</b>	
General	\$ 50,644	\$ 3,200	\$ 53,844	
Special Revenue	33,467	( 3,200)	30,267	
	<u>\$ 84,111</u>	<u>\$ 0</u>	<u>\$ 84,111</u>	



**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

Village Council  
Village of Chatfield  
Crawford County

We have audited the financial statements of the Village of Chatfield, Crawford County, Ohio (the Village) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated June 16, 2008, 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's internal control over financial reporting as a basis for designing our auditing procedures for expressing our opinions on the financial statements, but not to opine 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 its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings as items 2007-002 to be significant deficiencies in internal control over financial reporting.

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 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. We did not identify any deficiencies in internal control over financial reporting as described above that we consider material weaknesses.

We also noted certain internal control matters that we reported to the Village's management in a separate letter dated June 16, 2008.

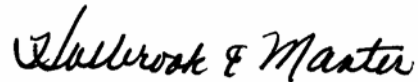
### Compliance and Other Matters

As part of reasonably assuring 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 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 such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2007-001.

We did note certain noncompliance or other matters that we reported to the Government's management in a separate letter dated June 16, 2008.

The Village's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Village's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Village Council, and the Auditor of State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

June 16, 2008



**VILLAGE OF CHATFIELD  
CRAWFORD COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

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

<b>Finding Number</b>	<b>2007-001</b>
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**Non-Compliance Citation – “Blanket” and “Super Blanket” Certificates**

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

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 taxing authority (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 Council.
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.
3. Super Blanket Certificate – The Village Council 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.

One-hundred percent of the 2006 and one-hundred percent of the 2005 transactions were not certified by the Clerk at the time the commitment was incurred and there was no evidence that the Village Council followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless one of the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village’s funds exceeding budgetary spending limitations, we recommend that the Clerk certify that the funds are or will be available prior to obligation by the Village. When prior certification is not possible, a “then and now” certification should be used.

**VILLAGE OF CHATFIELD  
CRAWFORD COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

<p><b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)</b></p>
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<b>Finding Number</b>	<b>2007-001 (continued)</b>
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We recommend the Village certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language Section 5705.41(D) requires to authorize disbursements. The Clerk should sign the certification at the time the Village incurs a commitment, and only when the requirements of Section 5705.41(D) are satisfied. The Clerk-Treasurer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**Officials' Response**

The Village Fiscal Officer will consider the implementation of purchase orders to properly certify the expenditures in the future periods.

<b>Finding Number</b>	<b>2007-002</b>
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**Significant Deficiency - Internal Control and Review Procedures**

Although the Council Members receive and review a select number of reports from the Fiscal Officer of the Village for approval on a monthly basis, the Village has not established formal procedures to reasonably assure completeness, and accuracy of the monthly reporting. During our testing and analysis, we noted that the Village Council is not reviewing the numerical check sequence prior to signing the checks. In addition, they are not reviewing the bank statement for proper inclusion of authorized expenditures within the cancelled checks or electronic fund withdraws.

The Village should carefully review this information and make appropriate inquires to help determine the integrity of the financial information. When performing such review, the officials' signatures or initials and the date should be affixed to the documents examined and it should be noted in the monthly minutes that the officials' thoroughly reviewed and approved those documents. In addition, we also recommend that the numerical check sequence be noted in the minutes and signed off of by the Council each month.

**Officials' Response**

The Village's Fiscal Officer will consider providing additional reports including a list of checks monthly to the Council for their review and signatures.

**VILLAGE OF CHATFIELD  
CRAWFORD COUNTY  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-001	Ohio Revised Code, Section 5705.41 (D) Improper Certification of expenditures.	No	Reissued as finding # 2007-001.





**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF CHATFIELD**

**CRAWFORD 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 2, 2008**