



Mary Taylor, CPA
Auditor of State

VILLAGE OF EMPIRE
JEFFERSON COUNTY

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Mary Taylor, CPA
Auditor of State

Village of Empire
Jefferson County
P.O. Box 307
Empire, Ohio 43926

To Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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Auditor of State

September 30, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Empire
Jefferson County
P.O. Box 307
Empire, Ohio 43926

To Village Council:

We have audited the accompanying financial statements of the Village of Empire, Jefferson County, (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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio Villages. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require 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 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, 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 or cash flows, where applicable 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 Empire, Jefferson County, as of December 31, 2007 and 2006, 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 September 30, 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.



Mary Taylor, CPA
Auditor of State

September 30, 2008

VILLAGE OF EMPIRE
JEFFERSON 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>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$9,692	\$7,613	\$17,305
Intergovernmental	16,214	20,038	36,252
Fines, Licenses and Permits	27,919		27,919
Earnings on Investments	171		171
Miscellaneous	2,932	1,200	4,132
Total Cash Receipts	<u>56,928</u>	<u>28,851</u>	<u>85,779</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	32,231	11,462	43,693
Public Health Services	1,480		1,480
Leisure Time Activities	2,030		2,030
Transportation		8,709	8,709
General Government	26,908		26,908
Total Cash Disbursements	<u>62,649</u>	<u>20,171</u>	<u>82,820</u>
Total Receipts Over/(Under) Disbursements	<u>(5,721)</u>	<u>8,680</u>	<u>2,959</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(5,721)	8,680	2,959
Fund Cash Balances, January 1	45,384	15,797	61,181
Fund Cash Balances, December 31	<u>\$39,663</u>	<u>\$24,477</u>	<u>\$64,140</u>

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

VILLAGE OF EMPIRE
JEFFERSON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$41,705		\$41,705
Fines, Licenses and Permits		\$39,652	39,652
	<u>41,705</u>	<u>39,652</u>	<u>81,357</u>
Total Operating Cash Receipts	<u>41,705</u>	<u>39,652</u>	<u>81,357</u>
Operating Cash Disbursements:			
Personal Services	12,000		12,000
Employee Fringe Benefits	2,271		2,271
Contractual Services	7,870		7,870
Supplies and Materials	2,431		2,431
	<u>24,572</u>		<u>24,572</u>
Total Operating Cash Disbursements	<u>24,572</u>		<u>24,572</u>
Operating Income/(Loss)	<u>17,133</u>	<u>39,652</u>	<u>56,785</u>
Non-Operating Cash Disbursements:			
Capital Outlay			0
Redemption of Principal	11,904		11,904
Interest and Other Fiscal Charges	1,758		1,758
Other Non-Operating Cash Disbursements		40,052	40,052
	<u>13,662</u>	<u>40,052</u>	<u>53,714</u>
Total Non-Operating Cash Disbursements	<u>13,662</u>	<u>40,052</u>	<u>53,714</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	3,471	(400)	3,071
Fund Cash Balances, January 1	<u>5,029</u>	<u>400</u>	<u>5,429</u>
Fund Cash Balances, December 31	<u><u>\$8,500</u></u>	<u><u>400</u></u>	<u><u>\$8,500</u></u>

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

VILLAGE OF EMPIRE
JEFFERSON 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$9,867	\$7,157	\$17,024
Intergovernmental	15,737	36,755	52,492
Charges for Services	2,900		2,900
Fines, Licenses and Permits	57,272		57,272
Earnings on Investments	176		176
Miscellaneous	8,415	2,500	10,915
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	94,367	46,412	140,779
Cash Disbursements:			
Current:			
Security of Persons and Property	38,098	12,757	50,855
Public Health Services	1,648		1,648
Leisure Time Activities	5,170		5,170
Basic Utility Service		10,950	10,950
General Government	33,867		33,867
Debt Service:			
Redemption of Principal		2,210	2,210
Interest and Fiscal Charges		46	46
Capital Outlay		26,000	26,000
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	78,783	51,963	130,746
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	15,584	(5,551)	10,033
Other Financing Receipts / (Disbursements):			
Proceeds from Sale of Public Debt:			
Transfers-In		7,000	7,000
Transfers-Out	(7,000)		(7,000)
Total Other Financing Receipts / (Disbursements)	<hr/>	<hr/>	<hr/>
	(7,000)	7,000	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	8,584	1,449	10,033
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	36,800	14,348	51,148
Fund Cash Balances, December 31	<hr/> \$45,384 <hr/>	<hr/> \$15,797 <hr/>	<hr/> \$61,181 <hr/>

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

VILLAGE OF EMPIRE
JEFFERSON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$41,464		\$41,464
Fines, Licenses and Permits		\$62,552	62,552
Total Operating Cash Receipts	<u>41,464</u>	<u>62,552</u>	<u>104,016</u>
Operating Cash Disbursements:			
Personal Services	12,000		12,000
Employee Fringe Benefits	1,944		1,944
Contractual Services	8,428		8,428
Supplies and Materials	3,025		3,025
Total Operating Cash Disbursements	<u>25,397</u>		<u>25,397</u>
Operating Income/(Loss)	<u>16,067</u>	<u>62,552</u>	<u>78,619</u>
Non-Operating Cash Disbursements:			
Capital Outlay	496		496
Redemption of Principal	10,726		10,726
Interest and Other Fiscal Charges	2,509		2,509
Other Non-Operating Cash Disbursements		63,262	63,262
Total Non-Operating Cash Disbursements	<u>13,731</u>	<u>63,262</u>	<u>76,993</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	2,336	(710)	1,626
Fund Cash Balances, January 1	<u>2,693</u>	<u>1,110</u>	<u>3,803</u>
Fund Cash Balances, December 31	<u>\$5,029</u>	<u>\$400</u>	<u>\$5,429</u>

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

**VILLAGE OF EMPIRE
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Empire, Jefferson County, (the Village) as a body corporate and politic. A publicly-elected six member Council directs the Village. The Village provides sewer utilities, park operations and fire and police services.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose 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.

3. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

**VILLAGE OF EMPIRE
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

4. Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other Villages which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other Villages. The Village disburses these funds as directed by the individual, organization or other Village. The Village's agency fund accounts for monies received and disbursed through the Magistrate's Court.

D. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund function 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. 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 individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year

A summary of 2007 and 2006 budgetary activity appears in Note 3.

E. Property, Plant, and Equipment

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**VILLAGE OF EMPIRE
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Accumulated Leave

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

2. EQUITY IN POOLED CASH

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

	2007	2006
Demand deposits	<u>\$72,640</u>	<u>\$66,610</u>

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$63,002	\$56,928	(\$6,074)
Special Revenue	19,007	28,851	9,844
Enterprise	38,000	41,705	3,705
Total	<u>\$120,009</u>	<u>\$127,484</u>	<u>\$7,475</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$108,370	\$62,649	\$45,721
Special Revenue	34,791	20,171	14,620
Enterprise	43,029	38,234	4,795
Total	<u>\$186,190</u>	<u>\$121,054</u>	<u>\$65,136</u>

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$75,731	\$94,367	\$18,636
Special Revenue	45,864	53,412	7,548
Enterprise	37,500	41,464	3,964
Total	<u>\$159,095</u>	<u>\$189,243</u>	<u>\$30,148</u>

**VILLAGE OF EMPIRE
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. BUDGETARY ACTIVITY - (Continued)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$112,531	\$85,784	\$26,747
Special Revenue	61,711	51,963	9,748
Enterprise	43,193	39,128	4,065
Total	\$217,435	\$176,875	\$40,560

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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 County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

5. DEBT

Debt outstanding at December 31, 2007 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	13,208	10.98%
Total	\$13,208	

The Ohio Water Development Authority Loans (OWDA) relate to a sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The loans will be repaid in semiannual installments over 25 years. The loans are collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	OWDA Loan
2008	\$14,136
Total	\$14,136

**VILLAGE OF EMPIRE
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

6. RETIREMENT SYSTEMS

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 this plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5% and 9%, respectively, of their gross salaries and the Village contributed an amount equaling 13.85% and 13.7%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2007.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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Mary Taylor, CPA

Auditor of State

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

Village of Empire
Jefferson County
P.O. Box 307
Empire, Ohio 43926

To Village Council:

We have audited the financial statements of the Village of Empire (the Village) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated September 30, 2008 wherein we noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-002.

A material weakness is a significant deficiency, or combination for significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement

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 internal control deficiencies that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe finding 2007-002 is also a material weakness.

We also noted certain internal control matters that we reported to the Village's management in a separate letter dated September 30, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-001 and 2007-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated September 30, 2008.

We intend this report solely for the information and use of management and Village Council. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

September 30, 2008

VILLAGE OF EMPIRE
JEFFERSON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006

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

FINDING NUMBER 2007-001

Finding for Recovery

Ohio Revised Code Section 1905.21 states the Clerk of the Magistrate Court shall account and dispose of for all fines, forfeitures, fees and costs collected and transferred to him by the mayor's court magistrate as provided in Section 733.40.

In 2006, total bank deposits were \$110 less than the total receipts posted to the magistrate's cash book.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for money collected but not accounted for is hereby issue against John Hartline, Clerk of the Magistrate's Court, for \$110 and in favor of the Magistrate's Court Fund.

FINDING NUMBER 2007-002

Non Compliance Citation/Material Weakness

Ohio Revised Code Section 733.40 states at the first regular meeting of the legislative authority each month, the magistrate's court shall submit a full statement of all monies received, from whom and for what purposes received, and when paid into the treasurer.

In 2006 and 2007, monthly reports submitted by the Clerk of the Magistrate's Court to the Village Council did not always agree with the magistrate's cashbook. As a result, the Village's financial statements were overstated by \$2,594 and \$6,720 in 2006 and 2007, respectively. The Fiscal Officer agreed to adjustments which have been posted to the Village accounting records and are reflected in the attached financial statements.

The Clerk of the Magistrate's Court should accurately report the amounts received, from whom and for what purposes received when paid into the Village treasury.

Officials' Response:

We did not receive a response from officials to the findings reported above.



Mary Taylor, CPA
Auditor of State

VILLAGE OF EMPIRE

JEFFERSON 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
JANUARY 8, 2009**