



**VILLAGE OF WILKESVILLE  
VINTON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998**



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

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**STATE OF OHIO**



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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701

Telephone 740-594-3300  
800-441-1389

Facsimile 740-594-2110

## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Wilkesville  
Vinton County  
510 N. Main Street  
Wilkesville, Ohio 45695

To the Village Council and Mayor:

We have audited the accompanying financial statements of the Village of Wilkesville, Vinton County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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 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 of Wilkesville, Vinton County, as of December 31, 1999 and 1998, 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 March 28, 2000 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.

This report is intended solely for the information and use of management, the Mayor, 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.

**Jim Petro**  
Auditor of State

March 28, 2000



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<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	\$2,321	\$2,608	\$4,929
Intergovernmental Receipts	10,325	63,506	73,831
Miscellaneous	563		563
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	13,209	66,114	79,323
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	1,513	1,590	3,103
Public Health Services		1,019	1,019
Basic Utility Services	120		120
Transportation		67,862	67,862
General Government	7,856		7,856
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	9,489	70,471	79,960
Excess of Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	3,720	(4,357)	(637)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	5,554	18,510	24,064
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$9,274</b> <hr/>	<hr/> <b>\$14,153</b> <hr/>	<hr/> <b>\$23,427</b> <hr/>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<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	\$2,332	\$2,610	\$4,942
Intergovernmental Receipts	10,488	4,697	15,185
Miscellaneous	995		995
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	13,815	7,307	21,122
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	1,725	1,300	3,025
Public Health Services		821	821
Basic Utility Services	115		115
Transportation		2,785	2,785
General Government	8,887		8,887
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	10,727	4,906	15,633
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts Over/(Under) Cash Disbursements	3,088	2,401	5,489
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	2,466	16,109	18,575
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$5,554</u></b>	<b><u>\$18,510</u></b>	<b><u>\$24,064</u></b>

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



**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Wilkesville, Vinton County, (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, including maintenance of streets and cemeteries, as well as, fire protection.

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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**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 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 received gasoline tax and motor vehicle license tax money to construct, maintain and repair Village streets.

Fire Levy Fund - This fund received money from a tax levy approved by voters to provide fire protection to Village residents through contracts with other governmental entities.

**D. Budgetary Process**

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process (Continued)**

**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.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**E. 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:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 23,427	\$ 24,064

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998, was as follows:

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 12,575	\$ 13,209	\$ 634
Special Revenue	<u>65,996</u>	<u>66,114</u>	<u>118</u>
Total	<u>\$ 78,571</u>	<u>\$ 79,323</u>	<u>\$ 752</u>

1999 Budgeted vs. Actual Disbursements			
Fund Type	Appropriation Authority	Actual Disbursements	Variance
General	\$ 18,145	\$ 9,489	\$ 8,656
Special Revenue	<u>84,506</u>	<u>70,471</u>	<u>14,035</u>
Total	<u>\$ 102,651</u>	<u>\$ 79,960</u>	<u>\$ 22,691</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 11,735	\$ 13,815	\$ 2,080
Special Revenue	<u>5,451</u>	<u>7,307</u>	<u>1,856</u>
Total	<u>\$ 17,186</u>	<u>\$ 21,122</u>	<u>\$ 3,936</u>

1998 Budgeted vs. Actual Disbursements			
Fund Type	Appropriation Authority	Actual Disbursements	Variance
General	\$ 14,200	\$ 10,727	\$ 3,473
Special Revenue	<u>21,560</u>	<u>4,906</u>	<u>16,654</u>
Total	<u>\$ 35,760</u>	<u>\$ 15,633</u>	<u>\$ 20,127</u>

**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 payment, the first half is due December 31. The second half payment is due the following June 20.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**4. PROPERTY TAX (Continued)**

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. RETIREMENT SYSTEMS**

The Clerk-Treasurer is the only Village official which is a member of 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 1999 and 1998, the Clerk-Treasurer contributed 8.5% of her gross salary. The Village contributed an amount equal to 13.55% of the Clerk-Treasurer's gross salary. The Village has paid all contributions required through December 31, 1999.

All other elected officials have elected to pay into Social Security. The employer and employee contributions to Social Security were equal to 6.2% of gross salary. The Village had paid all contributions required through December 31, 1999.

**6. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

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



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743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110

## REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village of Wilkesville  
Vinton County  
510 N. Main Street  
Wilkesville, Ohio 45695

To the Village Council and Mayor:

We have audited the accompanying financial statements of the Village of Wilkesville, Vinton County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 28, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 of Wilkesville'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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 28, 2000.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village of Wilkesville'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 March 28, 2000.

Village of Wilkesville  
Vinton County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
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This report is intended for the information and use of management, the Mayor, and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

March 28, 2000

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 1999 AND 1998**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>
1997-40737-001	Ohio Rev. Code Section 5705.41(B), disbursements exceeded appropriations.	Yes
1997-40737-002	Ohio Rev. Code Section 5705.41(D), certification of appropriated funds.	Yes







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 WILKESVILLE**

**VINTON 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  
MAY 2, 2000**