



**VILLAGE OF WEST LEIPSIC
PUTNAM COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

VILLAGE OF WEST LEIPSIC
PUTNAM COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of West Leipsic
Putnam County
114 Main Street
Leipsic, Ohio 45856-1050

To the Village Council:

We have audited the accompanying financial statements of the Village of West Leipsic, Putnam County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 1999. 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 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 2000 and 1999, 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 April 27, 2001 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of the finance committee, management, Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 27, 2001

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**VILLAGE OF WEST LEIPSIC
PUTNAM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$2,803	\$3,571			\$6,374
Intergovernmental Receipts	40,217	7,602			47,819
Earnings on Investments	15,520	2,956			18,476
Miscellaneous	394				394
	<u>58,934</u>	<u>14,129</u>			<u>73,063</u>
Cash Disbursements:					
Current:					
Security of Persons and Property		5,817			5,817
Public Health Services	34				34
Basic Utility Services	2,917				2,917
Transportation	10,409	13,275			23,684
General Government	25,625	99			25,724
Debt Service:					
Principal Payments			\$1,329		1,329
Capital Outlay	15,917			\$9,875	25,792
	<u>54,902</u>	<u>19,191</u>	<u>1,329</u>	<u>9,875</u>	<u>85,297</u>
Total Cash Disbursements	<u>54,902</u>	<u>19,191</u>	<u>1,329</u>	<u>9,875</u>	<u>85,297</u>
Total Receipts Over/(Under) Disbursements	<u>4,032</u>	<u>(5,062)</u>	<u>(1,329)</u>	<u>(9,875)</u>	<u>(12,234)</u>
Other Financing Receipts/(Disbursements):					
Loan Proceeds				10,000	10,000
Transfers-In				4,000	4,000
Transfers-Out				(4,000)	(4,000)
				<u>10,000</u>	<u>10,000</u>
Total Other Financing Receipts/(Disbursements)				<u>10,000</u>	<u>10,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	4,032	(5,062)	(1,329)	125	(2,234)
Fund Cash Balances, January 1	<u>319,229</u>	<u>22,150</u>	<u>21,917</u>	<u>15,046</u>	<u>378,342</u>
Fund Cash Balances, December 31	<u>\$323,261</u>	<u>\$17,088</u>	<u>\$20,588</u>	<u>\$15,171</u>	<u>\$376,108</u>

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

**VILLAGE OF WEST LEIPSIC
PUTNAM COUNTY**

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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property Tax and Other Local Taxes	\$2,422	\$3,359			\$5,781
Intergovernmental Receipts	39,697	7,883		\$34,224	81,804
Earnings on Investments	13,251	2,317			15,568
Miscellaneous	560				560
	55,930	13,559		34,224	103,713
Total Cash Receipts					
Cash Disbursements:					
Current:					
Security of Persons and Property		3,892			3,892
Public Health Services	36				36
Basic Utility Services	3,545				3,545
Transportation	10,420	103			10,523
General Government	23,888	98			23,986
Debt Service:					
Principal Payments			\$1,329		1,329
Capital Outlay	11,178			38,020	49,198
	49,067	4,093	1,329	38,020	92,509
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	6,863	9,466	(1,329)	(3,796)	11,204
Other Financing Receipts/(Disbursements):					
Transfers-In				12,000	12,000
Transfers-Out	(12,000)				(12,000)
	(12,000)			12,000	
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(5,137)	9,466	(1,329)	8,204	11,204
Fund Cash Balances, January 1	324,366	12,684	23,246	6,842	367,138
Fund Cash Balances, December 31	\$319,229	\$22,150	\$21,917	\$15,046	\$378,342

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

**VILLAGE OF WEST LEIPSIC
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of West Leipsic, Putnam 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 road maintenance and repair. The Village contracts with the Village of Leipsic Fire Department and EMS to provide security of persons and property. The Village of Leipsic also provides water services to the residents of the Village.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Cash and Investments

Certificates of deposit are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**VILLAGE OF WEST LEIPSIC
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service fund:

Debt Service Fund - This fund was used to accumulate resources for the payment of debt including debt incurred by the costs of detail engineering plans for a new wastewater treatment system.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

OPWC Fund - The Village received a grant in calendar year 1999 from the State of Ohio. The Village received benefits in the form of street repair.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2000 and 1999 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.

**VILLAGE OF WEST LEIPSIC
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

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>2000</u>	<u>1999</u>
Demand deposits	\$42,900	\$72,076
Savings account	\$25,998	
Certificates of deposit	<u>307,210</u>	<u>306,266</u>
Total deposits	<u><u>\$376,108</u></u>	<u><u>\$378,342</u></u>

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (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.

As of December 31, 2000 and 1999 the Village had \$3,718 and \$7,210, respectively, in deposits that were uninsured and uncollateralized.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$59,676	\$58,934	(\$742)
Special Revenue	14,238	14,129	(109)
Debt Service			
Capital Projects	<u>4,000</u>	<u>14,000</u>	<u>10,000</u>
Total	<u><u>\$77,914</u></u>	<u><u>\$87,063</u></u>	<u><u>\$9,149</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$177,820	\$54,902	\$122,918
Special Revenue	22,150	19,191	2,959
Debt Service	21,917	1,329	20,588
Capital Projects	<u>15,046</u>	<u>13,875</u>	<u>1,171</u>
Total	<u><u>\$236,933</u></u>	<u><u>\$89,297</u></u>	<u><u>\$147,636</u></u>

**VILLAGE OF WEST LEIPSIC
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$56,332	\$55,930	(\$402)
Special Revenue	15,454	13,559	(1,895)
Debt Service			
Capital Projects	<u>46,244</u>	<u>46,224</u>	<u>(20)</u>
Total	<u><u>\$118,030</u></u>	<u><u>\$115,713</u></u>	<u><u>(\$2,317)</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$220,320	\$61,067	\$159,253
Special Revenue	20,273	4,093	16,180
Debt Service	23,245	1,329	21,916
Capital Projects	<u>45,066</u>	<u>38,020</u>	<u>7,046</u>
Total	<u><u>\$308,904</u></u>	<u><u>\$104,509</u></u>	<u><u>\$204,395</u></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 payments, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$10,000	0%
Ohio Public Works Commission Loan	10,587	0%
Ohio Water Development Authority Loan	<u>10,000</u>	0%
Total	<u><u>\$30,587</u></u>	

**VILLAGE OF WEST LEIPSIC
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

The Ohio Public Works Commission Loan was to fund the cost of the waterline replacement. This biannual interest free loan was for 20 years, with the final payment being made in the year 2015.

The Ohio Water Development Authority (OWDA) Loan was to be used to assist with the cost of detail engineering plans for a new wastewater treatment system. The loan is interest free and the Village was eligible to receive up to an additional \$30,000. In 1998, the Village decided not to proceed with construction of the project, foregoing the additional funding available. The loan amount was reduced to \$20,000 be paid in \$2,000 installments ending in the year 2007.

The Ohio Water Development Authority (OWDA) Loan, entered into during 2000, was to be used to assist with the cost of a feasibility study for a new wastewater treatment system. The loan is interest free and the Village was eligible to receive up to an additional \$15,000. As of December 2000, the Village only received \$10,000. The first annual payment date is January 1, 2003, with annual payments of \$2,500. The loan is scheduled to be paid in full January 1, 2012. Payment are based upon all money being received by the Village.

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

Year ending December 31:	OPWC Loan	OWDA Loan	OWDA Loan
2001	\$756		
2002	756	\$2,000	
2003	756	2,000	\$2,500
2004	756	2,000	2,500
2005	756	2,000	2,500
Subsequent	6,807	2,000	2,500
Total	<u>\$10,587</u>	<u>\$10,000</u>	<u>\$10,000</u>

6. RETIREMENT SYSTEMS

Village officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provide 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. The Village has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Wrongful Acts.

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

Village of West Leipsic
Putnam County
114 Main Street
Leipsic, Ohio 45856-1050

To the Village Council:

We have audited the accompanying financial statements of the Village of West Leipsic, Putnam County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 27, 2001. We conducted our audits 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's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 April 27, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted another matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated April 27, 2001.

Village of West Leipsic
Putnam County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the finance committee, management, 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

April 27, 2001



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JIM PETRO, AUDITOR OF STATE

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VILLAGE OF WEST LEIPSIC

PUTNAM 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 15, 2001**