

**VILLAGE OF AMESVILLE**

**AUDIT REPORT**

**JANUARY 1, 2007 - DECEMBER 31, 2008**

**Wolfe, Wilson, & Phillips, Inc.  
37 South Seventh Street  
Zanesville, Ohio 43701**





# Mary Taylor, CPA

Auditor of State

Mayor and Village Council  
Village of Amesville  
P.O. Box 190  
Amesville, Ohio 45711

We have reviewed the *Independent Auditors' Report* of the Village of Amesville, Athens County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2007 through December 31, 2008. 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 Auditors' 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 Auditors' 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 Amesville 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

June 23, 2009

**This Page is Intentionally Left Blank.**

**VILLAGE OF AMESVILLE  
ATHENS COUNTY  
JANUARY 1, 2007 - DECEMBER 31, 2008**

**TABLE OF CONTENTS**

Table of Contents	(i)
Independent Auditors' Report	1-2
Financial Statements	
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2008	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes In Fund Balances - All Proprietary and Agency Fund Types For the Years Ended December 31, 2008	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2007	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes In Fund Balances - All Proprietary and Agency Fund Types For the Years Ended December 31, 2007	6
Notes to the Financial Statements	7-12
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By Government Auditing Standards.	13-14

**This Page is Intentionally Left Blank.**

**WOLFE, WILSON, & PHILLIPS, INC.**  
**37 SOUTH SEVENTH STREET**  
**ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Mayor and Village Council  
Village of Amesville  
P.O. Box 190  
Amesville, Ohio 45711-0190

We have audited the accompanying financial statements of the Village of Amesville, Athens County, as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Village of Amesville's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village of Amesville 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. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Instead of the combined funds the accompanying financial statements present for 2008 and 2007, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2008 and 2007. 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 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 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 paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village of Amesville's combined funds as of December 31, 2008 and 2007, and their 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 Amesville, Athens County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also require the Village to include Management's Discussion and Analysis for the year ended December 31, 2008 and 2007. 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 a report dated May 19, 2009, on our consideration of the Village of Amesville's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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 audit.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
May 19, 2009

**VILLAGE OF AMESVILLE  
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES-ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		<b>Totals</b>
	<u>General</u>	<u>Special Revenue</u>	<b>(Memorandum Only)</b>
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$ 23,320	\$ 10,814	\$ 34,134
Intergovernmental Receipts	4,267	10,867	15,134
Fines, Licenses, and Permits	4,025	-	4,025
Earnings on Investments	1,072	362	1,434
Miscellaneous	2,121	70	2,191
<b>Total Cash Receipts</b>	<u>34,805</u>	<u>22,113</u>	<u>56,918</u>
<b>Cash Disbursements:</b>			
<b>Current:</b>			
Security of Persons and Property	2,889	11,039	13,928
Leisure Time Activities	-	3,922	3,922
Transportation	-	14,039	14,039
General Government	17,790	-	17,790
<b>Total Cash Disbursements</b>	<u>20,679</u>	<u>29,000</u>	<u>49,679</u>
<b>Total Receipts Over/(Under) Disbursements</b>	14,126	(6,887)	7,239
<b>Other Financing Cash Receipts/(Disbursements)</b>			
Transfers-In	-	4,500	4,500
Transfer-Out	(4,500)	-	(4,500)
<b>Total Other Financing Cash Receipts/(Disbursements)</b>	<u>(4,500)</u>	<u>4,500</u>	<u>-</u>
<b>Excess of Cash Receipts and Other Financing Cash Receipts over/(Under) Cash Disbursements and Other Financing Cash Disbursements</b>	9,626	(2,387)	7,239
<b>Fund Cash Balances, January 1, 2008</b>	<u>9,113</u>	<u>36,180</u>	<u>45,293</u>
<b>Fund Cash Balances, December 31, 2008</b>	<u>\$ 18,739</u>	<u>\$ 33,793</u>	<u>\$ 52,532</u>

See notes to financial statements.

**VILLAGE OF AMESVILLE  
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES-ALL PROPRIETARY FUND TYPE AND AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>(Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 50,891	\$ -	\$ 50,891
<b>Total Operating Cash Receipts</b>	<u>50,891</u>	<u>-</u>	<u>50,891</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	21,292	-	21,292
Employee Fringe Benefits	3,420	-	3,420
Contractual Services	547,302	-	547,302
Supplies and Materials	9,052	-	9,052
<b>Total Operating Cash Disbursements</b>	<u>581,066</u>	<u>-</u>	<u>581,066</u>
<b>Operating Income</b>	(530,175)	-	(530,175)
<b>Non-Operating Cash Receipts:</b>			
Intergovernmental Receipts	391,603	-	391,603
Other Debt Proceeds	146,690	-	146,690
Other Non-Operating Cash Receipts	-	4,560	4,560
<b>Total Non-Operating Cash Receipts</b>	<u>538,293</u>	<u>4,560</u>	<u>542,853</u>
<b>Non-Operating Cash Disbursements:</b>			
Redemption of Principal	10,978	-	10,978
Interest and Other Fiscal Charges	-	-	-
Other Non-Operating Cash Disbursements	-	4,560	4,560
<b>Total Non-Operating Cash Disbursements</b>	<u>10,978</u>	<u>4,560</u>	<u>15,538</u>
<b>Excess of Receipts Over/(Under) Disbursements</b>	(2,860)	-	(2,860)
<b>Fund Cash Balances, January 1, 2008</b>	<u>60,335</u>	<u>-</u>	<u>60,335</u>
<b>Fund Cash Balances, December 31, 2008</b>	<u>\$ 57,475</u>	<u>\$ -</u>	<u>\$ 57,475</u>

See notes to financial statements.

**VILLAGE OF AMESVILLE  
ATHENS 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>		<b>Totals</b>
	<u>General</u>	<u>Special Revenue</u>	<b>(Memorandum Only)</b>
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$ 21,338	\$ 9,397	\$ 30,735
Intergovernmental Receipts	4,471	7,628	12,099
Fines, Licenses, and Permits	2,250	-	2,250
Earnings on Investments	784	182	966
Miscellaneous	157	75	232
<b>Total Cash Receipts</b>	<u>29,000</u>	<u>17,282</u>	<u>46,282</u>
<b>Cash Disbursements:</b>			
<b>Current:</b>			
Security of Persons and Property	2,877	11,563	14,440
Leisure Time Activities	-	4,222	4,222
Transportation	-	10,768	10,768
General Government	19,643	-	19,643
<b>Total Cash Disbursements</b>	<u>22,520</u>	<u>26,553</u>	<u>49,073</u>
<b>Total Receipts Over/(Under) Disbursements</b>	6,480	(9,271)	(2,791)
<b>Other Financing Cash Receipts/(Disbursements)</b>			
Transfers-In	-	6,250	6,250
Transfer-Out	(6,250)	-	(6,250)
<b>Total Other Financing Cash Receipts/(Disbursements)</b>	<u>(6,250)</u>	<u>6,250</u>	<u>-</u>
<b>Excess of Cash Receipts and Other Financing Cash Receipts over/(Under) Cash Disbursements and Other Financing Cash Disbursements</b>	230	(3,021)	(2,791)
<b>Fund Cash Balances, January 1, 2007</b>	<u>8,883</u>	<u>39,201</u>	<u>48,084</u>
<b>Fund Cash Balances, December 31, 2007</b>	<u>\$ 9,113</u>	<u>\$ 36,180</u>	<u>\$ 45,293</u>

See notes to financial statements.

**VILLAGE OF AMESVILLE  
ATHENS COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>(Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 44,987	\$ -	\$ 44,987
<b>Total Operating Cash Receipts</b>	<u>44,987</u>	<u>-</u>	<u>44,987</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	15,340	-	15,340
Employee Fringe Benefits	2,869	-	2,869
Contractual Services	804,304	-	804,304
Supplies and Materials	8,855	-	8,855
Other	245	-	245
<b>Total Operating Cash Disbursements</b>	<u>831,613</u>	<u>-</u>	<u>831,613</u>
<b>Operating Income</b>	(786,626)	-	(786,626)
<b>Non-Operating Cash Receipts:</b>			
Intergovernmental Receipts	498,186	-	498,186
Other Debt Proceeds	382,255	-	382,255
Other Non-Operating Cash Receipts	-	3,965	3,965
<b>Total Non-Operating Cash Receipts</b>	<u>880,441</u>	<u>3,965</u>	<u>884,406</u>
<b>Non-Operating Cash Disbursements:</b>			
Redemption of Principal	93,709	-	93,709
Interest and Other Fiscal Charges	1,453	-	1,453
Other Non-Operating Cash Disbursements	-	3,965	3,965
<b>Total Non-Operating Cash Disbursements</b>	<u>95,162</u>	<u>3,965</u>	<u>99,127</u>
<b>Excess of Receipts Over/(Under) Disbursements</b>	(1,347)	-	(1,347)
<b>Fund Cash Balances, January 1, 2007</b>	<u>61,682</u>	<u>-</u>	<u>61,682</u>
<b>Fund Cash Balances, December 31, 2007</b>	<u>\$ 60,335</u>	<u>\$ -</u>	<u>\$ 60,335</u>

See notes to financial statements.

**VILLAGE OF AMESVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Amesville, Athens 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 police services, maintenance of Village Streets and highways, and water/sewer utility services.

The Village participates in the Ohio Governmental Risk Management Plan public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Village belongs to the Ohio Government Risk Management Plan (the Plan), an unincorporated non-profit association providing a formalized, jointly administered self insurance risk management plan. Member governments pay annual contributions to fund the Plan. The Plan pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible

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).

**C. Cash and Investments**

Certificates of deposit are 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 to be accounted for in another fund.

**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 Funds:

**Street Construction, Maintenance and Repair Fund** – This fund is used to account for gasoline tax monies for constructing, maintaining and repairing Village streets.

**VILLAGE OF AMESVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

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

**D. Fund Accounting (Continued)**

**Enterprise Funds**

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

**Water Operating Fund** – This fund is used to account for charges for services from residents to cover the cost of providing water services.

**Sewer Operating Fund** – This fund is used to account for charges for services from residents to cover the cost of providing wastewater services.

**Fiduciary Fund (Agency)**

This fund accounts for activity for which the Village is acting in an agency capacity. The Village had the following significant Agency Fund:

**Mayor’s Court Fund** – This fund accounts for the financial activity of the Mayor’s Court.

**E. Budgetary Process**

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

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and 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. Unencumbered appropriations lapse at year end.

**Estimated Resources**

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

**Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

**VILLAGE OF AMESVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

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

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2008	2007
Demand deposits	\$ 77,007	\$ 72,628
Certificate of deposits	33,000	33,000
Total Deposits	\$ 110,007	\$ 105,628

**Deposits:** Deposits are either 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 ended December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 30,660	\$ 34,805	\$ 4,145
Special Revenue	22,315	26,613	4,298
Enterprise	723,968	589,184	(134,784)
Total	\$ 776,943	\$ 650,602	\$ (126,341)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 37,490	\$ 25,179	\$ 12,311
Special Revenue	48,235	29,000	19,235
Enterprise	745,453	592,044	153,409
Total	\$ 831,178	\$ 646,223	\$ 184,955

**VILLAGE OF AMESVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**3. BUDGETARY ACTIVITY (Continued)**

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 30,513	\$ 29,000	\$ (1,513)
Special Revenue	22,800	23,532	732
Enterprise	1,492,454	925,428	(567,026)
Total	<u>\$ 1,545,767</u>	<u>\$ 977,960</u>	<u>\$ (567,807)</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 37,200	\$ 28,770	\$ 8,430
Special Revenue	45,559	26,553	19,006
Enterprise	1,524,992	926,775	598,217
Total	<u>\$ 1,607,751</u>	<u>\$ 982,098</u>	<u>\$ 625,653</u>

Contrary to Ohio Revised Code Section 5705.36, appropriations exceeded actual receipts for several funds in 2008 and 2007.

**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.

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, 2008 was as follows:

	Principal	Interest rate
Ohio Public Works Commission CR14J	\$ 90,000	0.0%
Ohio Water Development Authority 4738	334,258	0.0%
Total	<u>\$ 424,258</u>	

The OPWC Loan relates to the decentralized wastewater system. The loan is a zero interest loan with semi-annual payments of \$2,250. The loan is collateralized by wastewater receipts.

The OWDA loan relates to the decentralized wastewater system. The loan is zero interest loan approved for an amount of \$439,103 with \$345,236 drawn through December 31, 2008. The loan is collateralized by wastewater receipts. No amortization schedule has been established and is not included in the amortization schedule below.

**VILLAGE OF AMESVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**5. DEBT (Continued)**

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

Year	OPWC
2009	\$ 4,500
2010	4,500
2011	4,500
2012	4,500
2013	4,500
2014-2018	22,500
2019-2023	22,500
2024-2028	22,500
Total	<u>\$ 90,000</u>

**6. RETIREMENT SYSTEMS**

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plans. 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 2008 and 2007, OPERS members contributed 10.0% and 9.5% of their wages in 2008 and 2007, respectively. The Village contributed an amount equal to 14.00% and 13.85% of participants gross salaries in 2008 and 2007, respectively. The Village has paid all required contributions through December 31, 2008.

**7. RISK MANAGEMENT**

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio Governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A-VII or better rated carriers, except the Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

**VILLAGE OF AMESVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**7. RISK MANAGEMENT (Continued)**

Settlement amounts did not exceed insurance coverage for the past three years.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

The Plans audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, the latest information available.

	<u>2007</u>	<u>2006</u>
Assets	\$ 11,136,455	\$ 9,620,148
Liabilities	<u>(4,273,553)</u>	<u>(3,329,620)</u>
Retained Earnings	<u>\$ 6,862,902</u>	<u>\$ 6,290,528</u>

You can read the complete audited financial statements for the Ohio Government Risk Management Plan at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

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

Mayor and Village Council  
Village of Amesville  
P.O. Box 190  
Amesville, Ohio 45711-0190

We have audited the financial statements of The Village of Amesville as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated May 19, 2009, 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 Financing Reporting**

In planning and performing our audit, we considered Village of Amesville'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 Villages internal control over financial reporting.

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.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting 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 internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Amesville's combined 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 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 the management of the Village of Amesville in a separate letter dated May 19, 2009.

This report is intended for the information of the Mayor, Fiscal Officer, Council and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
May 19, 2009



**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF AMESVILLE**

**ATHENS 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  
JULY 7, 2009**