



**VILLAGE OF ANTIOCH  
MONROE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**



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

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Village Council  
Village of Antioch  
Monroe County  
39110 SR 800  
Antioch, Ohio 43710

We have audited the accompanying financial statements of the Village of Antioch, Monroe County, Ohio (the Village) as of and for the years ended December 31, 1998 and December 31, 1997. 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 described 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 Village of Antioch, Monroe County, as of December 31, 1998 and December 31, 1997, and its combined cash receipts and cash 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 December 3, 1999 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 the management, Village Council, and other officials authorized to receive this report under Section 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

December 3, 1999



**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>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>			
Local Taxes	\$4,777	\$0	\$4,777
Intergovernmental Receipts	2,436	6,242	8,678
Interest	0	803	803
All Other Revenue	<u>1,182</u>	<u>1,790</u>	<u>2,972</u>
Total Cash Receipts	8,395	8,835	17,230
<b>Cash Disbursements:</b>			
Security of Persons and Property	3,446	0	3,446
Public Health Services	438	2,076	2,514
Transportation	0	5,245	5,245
General Government	<u>2,997</u>	<u>0</u>	<u>2,997</u>
Total Cash Disbursements	<u>6,881</u>	<u>7,321</u>	<u>14,202</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	1,514	1,514	3,028
Fund Cash Balances, January 1	<u>4,663</u>	<u>8,323</u>	<u>12,986</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$6,177</u></u>	<u><u>\$9,837</u></u>	<u><u>\$16,014</u></u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSMENTS AND CHANGES  
IN FUND BALANCES - NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Nonexpendable Trust</u>
<b>Operating Cash Receipts:</b>	
Miscellaneous	\$1,200
Fund Cash Balances, January 1	<u>19,849</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$21,049</u></u>

*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, 1997**

	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>			
Local Taxes	\$5,416	\$0	\$5,416
Intergovernmental Receipts	692	1,880	2,572
Interest	0	769	769
All Other Revenue	784	1,035	1,819
Total Cash Receipts	6,892	3,684	10,576
<b>Cash Disbursements:</b>			
Security of Persons and Property	4,461	0	4,461
Public Health Services	3,803	2,024	5,827
Leisure Time Activities	86	0	86
Transportation	0	1,340	1,340
General Government	5,090	0	5,090
Total Cash Disbursements	13,440	3,364	16,804
Excess of Cash Receipts Over/(Under) Cash Disbursements	(6,548)	320	(6,228)
Fund Cash Balances, January 1	11,211	8,003	19,214
<b>Fund Cash Balances, December 31</b>	<b><u>\$4,663</u></b>	<b><u>\$8,323</u></b>	<b><u>\$12,986</u></b>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSMENTS AND CHANGES  
IN FUND BALANCES - NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>Nonexpendable Trust</u>
<b>Operating Cash Receipts:</b>	
Miscellaneous	\$500
Fund Cash Balances, January 1	<u>19,349</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$19,349</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998 AND 1997**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Antioch, Monroe 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 and a publicly elected Clerk/Treasurer. The Village provides general governmental services, and maintenance of Village roads and cemeteries and provides fire protection (public safety).

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 a payment is made 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. Fund Accounting**

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

**General Fund**

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

**Special Revenue Funds**

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

Street Construction Maintenance and Repair Fund - This fund receives motor vehicle license tax money for maintenance of Village roads.

State Highway Improvement Fund - This fund receives gasoline tax money for maintenance of Village roads.

Cemetery Fund - This fund receives revenue from bequest fund interest earnings and donations for the purpose of maintenance of the Village Cemetery.

Permissive Tax Fund - This fund receives permissive tax money for maintenance of Village roads.

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1998 AND 1997  
(Continued)**

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

**C. Fund Accounting (Continued)**

**Nonexpendable Trust Fund**

Cemetery Bequest Fund - This fund is used to account for bequests for the purpose of maintenance of the cemetery.

**D. 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 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 beginning of the year fund cash balances. 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 1998 and 1997 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 pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. At December 31, the Village held the following:

	<u>1998</u>	<u>1997</u>
Demand Deposits	\$17,413	\$13,185
Certificate of Deposit	<u>19,650</u>	<u>19,650</u>
Total Deposits	<u>\$37,063</u>	<u>\$32,835</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998 AND 1997**  
**(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1998 and December 31, 1997, was as follows:

1998 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$7,960	\$8,395	\$435
Special Revenue	5,950	8,835	2,885
Nonexpendable Trust	<u>0</u>	<u>1,200</u>	<u>1,200</u>
Total	<u>\$13,910</u>	<u>\$18,430</u>	<u>\$4,520</u>

1998 Budgeted vs. Actual Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
General	\$11,300	\$6,881	\$4,419
Special Revenue	11,250	7,321	3,929
Nonexpendable Trust	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$22,550</u>	<u>\$14,202</u>	<u>\$8,348</u>

1997 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$7,116	\$6,892	(\$224)
Special Revenue	3,100	3,684	584
Nonexpendable Trust	<u>500</u>	<u>500</u>	<u>0</u>
Total	<u>\$10,716</u>	<u>\$11,076</u>	<u>\$360</u>

1997 Budgeted vs. Actual Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
General	\$17,600	\$13,440	\$4,160
Special Revenue	11,065	3,364	7,701
Nonexpendable Trust	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$28,665</u>	<u>\$16,804</u>	<u>\$11,861</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998 AND 1997**  
**(Continued)**

**4. PROPERTY TAX**

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

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 SYSTEM**

The Village's part-time employees, as well as the Council and Clerk, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including retirement health care, 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 1998 and 1997, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1998.

**6. Risk Management**

The Village has obtained commercial insurance for the following risks:

- General liability and casualty
- Property

**7. Year 2000 Issue**

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Village's operations as early as fiscal year 1999.

The Village leases the Auditor of State's Uniform Accounting Network (UAN) system for its financial operations. The Auditor of State is responsible for remediating these systems and is solely responsible for any costs associated with this project. As of December 31, 1998, the Auditor of State was validating and testing the UAN system. The Auditor of State released a validated and tested version of UAN in 1999. The Village must install the updated release prior to the end of 1999 to help assure the continued proper processing of UAN transactions.

Tax collection for the Village is handled by Monroe County. The County is responsible for remediating this system, and is solely responsible for any costs associated with this project.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998 AND 1997**  
**(Continued)**

**7. Year 2000 Issue** (Continued)

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Village is or will be Year 2000 ready, that the Village's remediation efforts will be successful in whole or in part, or that parties with whom the Village does business will be Year 2000 ready.

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

Village Council  
Village of Antioch  
Monroe County  
39110 SR 800  
Antioch, Ohio 43710

We have audited the accompanying financial statements of Village of Antioch, Monroe County, Ohio (the Village) as of and for the years ended December 31, 1998 and December 31, 1997, and have issued our report thereon dated December 3, 1999. 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'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 is 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 December 3, 1999.

**Internal Control Over Financial Reporting**

In planning and performing our audit, 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 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 December 3, 1999.

Village of Antioch  
Monroe 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 the management and the 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

December 3, 1999



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**VILLAGE OF ANTIOCH**

**MONROE 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 6, 2000**