



**VILLAGE OF WILSON
MONROE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF WILSON
TABLE OF CONTENTS**

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type – For the Year Ended December 31, 1999	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1998	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type – For the Year Ended December 31, 1998	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13
Schedule of Findings	15

This page intentionally left blank.



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 Wilson
Monroe County
52433 East Drive
Beallsville, OH 43716

To the Village Council:

We have audited the accompanying financial statements of the Village of Wilson, Monroe 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 and reserves for encumbrances of the Village of Wilson, Monroe 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 May 1, 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, 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

May 1, 2000

**VILLAGE OF WILSON
 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$1,862	\$2,336	\$4,198
Intergovernmental Receipts	9,725	3,930	13,655
Earnings on Investments	628		628
Miscellaneous	504		504
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	12,719	6,266	18,985
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Security of Persons and Property	1,560		1,560
Public Health Services	238		238
Transportation		2,774	2,774
General Government	5,217	149	5,366
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	7,015	2,923	9,938
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	5,704	3,343	9,047
	<hr/>	<hr/>	<hr/>
Fund Cash Balances January 1	10,681	21,419	32,100
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$16,385</u>	<u>\$24,762</u>	<u>\$41,147</u>
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**VILLAGE OF WILSON
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$9,538
Total Operating Cash Receipts	9,538
Operating Cash Disbursements:	
Personal Services	400
Contractual Services	3,959
Supplies and Materials	1,173
Total Operating Cash Disbursements	5,532
Operating Income/(Loss)	4,006
Non-Operating Cash Disbursements:	
Debt Service	3,000
Total Non-Operating Cash Disbursements	3,000
Net Receipts Over/(Under) Disbursements	1,006
Fund Cash Balance, January 1	1,813
Fund Cash Balance, December 31	\$2,819
Reserve for Encumbrance, December 31	\$0

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

**VILLAGE OF WILSON
 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 (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$1,282	\$2,048	\$3,330
Intergovernmental Receipts	7,070	7,599	14,669
Earnings on Investments	760		760
Miscellaneous	258		258
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	9,370	9,647	19,017
Cash Disbursements:			
Current:			
Security of Persons and Property	1,560		1,560
Public Health Services	222		222
Transportation		4,695	4,695
General Government	7,581	65	7,646
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	9,363	4,760	14,123
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	7	4,887	4,894
Other Financing Receipts/(Disbursements):			
Transfers-In	1,000		1,000
Transfers-Out	(1,495)	(1,000)	(2,495)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(495)	(1,000)	(1,495)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	(488)	3,887	3,399
Fund Cash Balances January 1	<hr/>	<hr/>	<hr/>
	11,169	17,532	28,701
Fund Cash Balances, December 31	<hr/> \$10,681 <hr/>	<hr/> \$21,419 <hr/>	<hr/> \$32,100 <hr/>
Reserves for Encumbrances, December 31	<hr/>	<hr/>	<hr/>
	<u>\$1,560</u>	<u>\$1,700</u>	<u>\$3,260</u>

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

**VILLAGE OF WILSON
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$9,107
Total Operating Cash Receipts	9,107
Operating Cash Disbursements:	
Personal Services	400
Contractual Services	3,921
Supplies and Materials	1,464
Capital Outlay	3,048
Total Operating Cash Disbursements	8,833
Operating Income/(Loss)	274
Non-Operating Cash Disbursements:	
Debt Service	3,035
Total Non-Operating Cash Disbursements	3,035
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	(2,761)
Transfers-In	2,495
Transfers-Out	(1,000)
Net Receipts Over/(Under) Disbursements	(1,266)
Fund Cash Balance, January 1	3,079
Fund Cash Balance, December 31	\$1,813
Reserve for Encumbrance, December 31	\$5,076

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Wilson, 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. The Village provides general governmental services and sewer utilities.

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.

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 Funds:

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

Street Improvement Fund - This fund receives tax monies assessed and levied on general assessed valuation of real and personal property taxes to construct, maintain, and repair Village roads and bridges.

State Highway Improvement Fund - This fund receives motor vehicle license tax and gasoline tax money for the maintenance and repair of Village roads.

VILLAGE OF WILSON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund (Continued)

FEMA Fund - This fund receives money from the Federal Emergency Management Agency to provide flood relief to the Village.

3. 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:

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Debt Reserve Fund - This fund receives charges for services to maintain adequate money to make required debt payments, as mandated by a loan agreement with Farmers Home Administration. The Village has been making debt payments out of this fund.

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. Unencumbered appropriations lapse at year end.

2. 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.

3. 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. The Village did not encumber all commitments required by Ohio law.

A summary of 1999 and 1998 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 WILSON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

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:

	1999	1998
Demand deposits	\$33,966	\$23,913
Certificates of deposit	10,000	10,000
Total deposits	\$43,966	\$33,913

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

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 10,100	\$ 12,719	\$ 2,619
Special Revenue	5,995	6,266	271
Enterprise	12,800	9,538	(3,262)
Total	\$ 28,895	\$ 28,523	\$ (372)

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 11,900	\$ 7,015	\$ 4,885
Special Revenue	12,075	2,923	9,152
Enterprise	12,500	8,532	3,968
Total	\$ 36,475	\$ 18,470	\$ 18,005

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 11,253	\$ 10,370	\$ (883)
Special Revenue	5,455	9,647	4,192
Enterprise	12,900	11,602	(1,298)
Total	\$ 29,608	\$ 31,619	\$ 2,011

VILLAGE OF WILSON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 11,510	\$ 12,418	\$ (908)
Special Revenue	10,050	7,460	2,590
Enterprise	12,200	17,944	(5,744)
Total	\$ 33,760	\$ 37,822	\$ (4,062)

During 1999, the Village had expenditures which exceeded appropriations in the FEMA Fund, Special Revenue Fund type and in 1998 the FEMA Tax, Special Revenue Fund type and the Sewer Reserve Fund, Enterprise Fund contrary to Ohio Rev. Code Section 5705.41 (B). Also, during 1999 and 1998, the Village did not properly obtain the Clerk's prior certification for expenditures contrary to Ohio Rev. Code Section 5705.41 (D). Finally during 1999 and 1998 the Village did not obtain amended certificate of estimated resources for revenue in excess of original estimated resources contrary to Ohio Rev. Code Section 5705.36.

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.

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, 1999 was as follows:

	Principal	Interest Rate
Mortgage Revenue Bonds	\$45,300	5%
Total	\$ 45,300	

In November 1988 the Village issued Sanitary Sewer System Mortgage Revenue Bonds to construct a sanitary sewer plant. The Village has agreed to set utility rates sufficient to cover debt service requirements.

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

5. DEBT (Continued)

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

Year ending December 31:	Mortgage Revenue Bonds
2000	\$ 2,965
2001	3,030
2002	2,990
2003	2,950
2004	3,010
Subsequent	<u>71,785</u>
Total	<u><u>\$ 86,730</u></u>

6. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles

This page intentionally left blank.



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 ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Wilson
Monroe County
52433 East Drive
Beallsville, OH 43716

To the Village Council:

We have audited the accompanying financial statements of the Village of Wilson, Monroe County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 1, 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'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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 1999-31056-001 and 1999-31056-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 1, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 May 1, 2000.

This report is intended for the information and use of management, and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 1, 2000

**VILLAGE OF WILSON
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

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

FINDING NUMBER 1999-31056-001

Ohio Revised Code Section 5705.36 states in part that an increased amended certificate of estimated resources must be obtained from the budget commission if the legislative authority intends to appropriate and expend revenue in excess of the original amendment of estimated resources.

The Village received FEMA revenue in 1999 and 1998 and did not obtain an amended certificate of estimated resources nor did they appropriate for the FEMA expenditures. The Village then expended the revenue.

We recommend the Clerk amend the certificate of estimated resources when they intend to expend revenue in excess of the amended certificate of estimated resources.

FINDING NUMBER 1999-31056-002

Ohio Revised Code Section 5705.41(B) requires no subdivision or taxing authority to expend money unless it has been appropriated.

The following funds had expenditures which exceeded appropriations:

1999	
Special Revenue Fund	
FEMA Fund	\$1,351
1998	
Special Revenue Fund	
FEMA Fund	2,376
Enterprise Fund	
Sewer Reserve Fund	5,809

Village management should monitor available appropriations, and should deny payments that exceed appropriations. If available resources exist to make the payment, management should request Council to consider amending appropriations.



STATE OF OHIO
OFFICE OF THE AUDITOR

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 WILSON

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
JULY 13, 2000**