



**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF HICKSVILLE
DEFIANCE COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Hicksville
Defiance County
111-113 South Main Street
Hicksville, Ohio 43526-1398

To the Village Council:

We have audited the accompanying financial statements of the Village of Hicksville, Defiance 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 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 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 and reserves for encumbrances 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 June 18, 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

June 18, 2001

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**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

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

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Cash Receipts:			
Local Taxes	\$1,171,254	\$75,721	
Special Assessments			\$34,542
Intergovernmental Receipts	75,791	261,856	40,695
Charges for Services	42,171	36,261	
Fines, Licenses, and Permits	58,414	1,299	
Miscellaneous	292,371	239,781	
 Total Cash Receipts	 1,640,001	 614,918	 75,237
Cash Disbursements:			
Current:			
Security of Persons and Property	427,476	39,972	
Public Health Services	13,228		
Leisure Time Activities	93,831		
Community Environment	4,394	43,318	
Transportation		118,893	
General Government	259,848		
Capital Outlay	136,782	148,642	160,473
 Total Cash Disbursements	 935,559	 350,825	 160,473
 Total Cash Receipts Over/(Under) Cash Disbursements	 704,442	 264,093	 (85,236)
Other Financing Receipts/(Disbursements):			
Transfers-In		20,000	404,994
Transfers-Out	(449,994)		
Other Uses	(20,685)	(14,096)	(34,841)
 Total Other Financing Receipts/(Disbursements)	 (470,679)	 5,904	 370,153
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 233,763	 269,997	 284,917
 Fund Cash Balances January 1	 1,548,728	 838,080	 888,018
 Fund Cash Balances, December 31	 \$1,782,491	 \$1,108,077	 \$1,172,935
 Reserves for Encumbrances, December 31	 \$4,503	 \$1,445	

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

<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Expendable Trust</u>	
\$13,235	\$1,260,210
	34,542
1,462	379,804
	78,432
	59,713
	<u>532,152</u>
<u>14,697</u>	<u>2,344,853</u>
43,909	511,357
	13,228
	93,831
	47,712
	118,893
	259,848
	<u>445,897</u>
<u>43,909</u>	<u>1,490,766</u>
<u>(29,212)</u>	<u>854,087</u>
25,000	449,994
	(449,994)
<u>(367)</u>	<u>(69,989)</u>
<u>24,633</u>	<u>(69,989)</u>
(4,579)	784,098
<u>5,573</u>	<u>3,280,399</u>
<u>\$994</u>	<u>\$4,064,497</u>
	<u><u>\$5,948</u></u>

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**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

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

	<u>Proprietary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$766,023		\$766,023
Miscellaneous	5,789		5,789
	<u>771,812</u>		<u>771,812</u>
Total Operating Cash Receipts			
	<u>771,812</u>		<u>771,812</u>
Operating Cash Disbursements:			
Personal Services	248,293		248,293
Travel Transportation	805		805
Contractual Services	211,362		211,362
Supplies and Materials	44,313		44,313
Capital Outlay	111,843		111,843
	<u>616,616</u>		<u>616,616</u>
Total Operating Cash Disbursements			
	<u>616,616</u>		<u>616,616</u>
Operating Income	<u>155,196</u>		<u>155,196</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts	<u>11,500</u>	<u>\$37,860</u>	<u>49,360</u>
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements	<u>10,379</u>	<u>37,860</u>	<u>48,239</u>
Net Receipts Over Disbursements	156,317		156,317
Fund Cash Balances, January 1	<u>391,820</u>		<u>391,820</u>
Fund Cash Balances, December 31	<u>\$548,137</u>		<u>\$548,137</u>
Reserve for Encumbrances, December 31	<u>\$5,971</u>		<u>\$5,971</u>

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

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

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

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Cash Receipts:			
Local Taxes	\$1,120,564	\$58,518	
Intergovernmental Revenues	85,314	140,954	\$43,559
Special Assessments			29,040
Charges for Services	41,881	36,261	
Fines, Licenses, and Permits	60,069	1,393	
Miscellaneous	172,129	260,553	
Total Cash Receipts	1,479,957	497,679	72,599
Cash Disbursements:			
Current:			
Security of Persons and Property	414,434	42,317	
Public Health Services	13,218		
Leisure Time Activities	86,036		
Community Environment	19,064	11,174	
Basic Utility Services		6,725	
Transportation		131,019	
General Government	248,695		
Capital Outlay	179,981	131,303	114,430
Total Cash Disbursements	961,428	322,538	114,430
Total Cash Receipts Over/(Under) Cash Disbursements	518,529	175,141	(41,831)
Other Financing Receipts/(Disbursements):			
Transfers-In		20,000	416,434
Transfers-Out	(462,434)		
Other Uses	(19,354)	(1,549)	(37,736)
Total Other Financing Receipts/(Disbursements)	(481,788)	18,451	378,698
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	36,741	193,592	336,867
Fund Cash Balances, January 1	1,511,987	644,488	551,151
Fund Cash Balances, December 31	\$1,548,728	\$838,080	\$888,018
Reserves for Encumbrances, December 31	\$52,910	\$4,111	\$4,358

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

<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Expendable Trust</u>	
\$11,806	\$1,190,888
682	270,509
	29,040
	78,142
	61,462
	<u>432,682</u>
<u>12,488</u>	<u>2,062,723</u>
40,103	496,854
	13,218
	86,036
	30,238
	6,725
	131,019
	248,695
	<u>425,714</u>
<u>40,103</u>	<u>1,438,499</u>
<u>(27,615)</u>	<u>624,224</u>
26,000	462,434
	(462,434)
<u>(315)</u>	<u>(58,954)</u>
<u>25,685</u>	<u>(58,954)</u>
(1,930)	565,270
<u>7,503</u>	<u>2,715,129</u>
<u>\$5,573</u>	<u>\$3,280,399</u>
	<u><u>\$61,379</u></u>

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**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

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

	<u>Proprietary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$700,525		\$700,525
Miscellaneous	10,479		10,479
	<u>711,004</u>		<u>711,004</u>
Total Operating Cash Receipts	<u>711,004</u>		<u>711,004</u>
Operating Cash Disbursements:			
Personal Services	256,953		256,953
Contractual Services	216,686		216,686
Supplies and Materials	49,109		49,109
Capital Outlay	121,571		121,571
	<u>644,319</u>		<u>644,319</u>
Total Operating Cash Disbursements	<u>644,319</u>		<u>644,319</u>
Operating Income	<u>66,685</u>		<u>66,685</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts	<u>12,634</u>	<u>\$48,813</u>	<u>61,447</u>
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements	<u>12,226</u>	<u>49,203</u>	<u>61,429</u>
Net Receipts Over/(Under) Disbursements	67,093	(390)	66,703
Fund Cash Balances, January 1	<u>324,727</u>	<u>390</u>	<u>325,117</u>
Fund Cash Balances, December 31	<u>\$391,820</u>		<u>\$391,820</u>
Reserve for Encumbrances, December 31	<u>\$3,442</u>		<u>\$3,442</u>

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

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**VILLAGE OF HICKSVILLE
DEFIANCE 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 Hicksville, Defiance 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 police and fire protection, maintenance of streets, utilities (water, sewer, and refuse), and park operations (leisure time activities)

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 and Government Securities are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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 Funds:

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

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

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

State Highway Improvement Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing state highways within the Village.

Downtown Revitalization Grant - This fund receives Community Development Block Grant money for the improvement of businesses within the downtown area.

3. 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:

Construction Fund - The fund receives a share of the village income tax revenue. This revenue is used to make permanent improvements to the village land and property.

Infrastructure Fund - The fund is used to record Issue II and LTIP grant money that is spent on behalf of the Village.

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

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

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

6. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Police Disability and Pension Fund - This fund receives levy moneys to provide for the payment of village police retirement.

Mayor's Court Fund - This fund receives fines, bonds and costs assessed by the Court and disburses these amounts to the State, the Village or the payee.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

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

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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.

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.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

Cash on hand at December 31, 2000 and 1999 was \$480.

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:

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

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

	<u>2000</u>	<u>1999</u>
Cash on hand	\$480	\$480
Demand deposits	\$34,328	\$86,569
Certificates of deposit	<u>3,023,447</u>	<u>3,384,523</u>
Total cash on hand and deposits	<u>3,058,255</u>	<u>3,471,572</u>
Government Securities	256,862	760,287
STAR Ohio	<u>357,102</u>	<u>380,775</u>
Total investments	<u>613,964</u>	<u>1,141,062</u>
Total cash on hand, deposits, and investments	<u>\$3,672,219</u>	<u>\$4,612,634</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Village.

Investments: Government Securities are held in book-entry form by the Federal Reserve, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

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	\$1,470,000	\$1,640,001	\$170,001
Special Revenue	613,522	634,918	21,396
Capital Projects	480,231	480,231	0
Enterprise	762,100	783,312	21,212
Fiduciary	<u>39,697</u>	<u>39,697</u>	<u>0</u>
Total	<u>\$3,365,550</u>	<u>\$3,578,159</u>	<u>\$212,609</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,838,099	\$1,410,741	\$427,358
Special Revenue	860,788	366,366	494,422
Capital Projects	1,085,553	195,314	890,239
Enterprise	864,826	632,966	231,860
Fiduciary	<u>44,409</u>	<u>44,276</u>	<u>133</u>
Total	<u>\$4,693,675</u>	<u>\$2,649,663</u>	<u>\$2,044,012</u>

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

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

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,289,188	\$1,479,957	\$190,769
Special Revenue	504,873	517,679	12,806
Capital Projects	672,559	489,033	(183,526)
Enterprise	632,000	723,638	91,638
Fiduciary	39,000	38,488	(512)
Total	<u>\$3,137,620</u>	<u>\$3,248,795</u>	<u>\$111,175</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,948,058	\$1,496,126	\$451,932
Special Revenue	820,337	328,198	492,139
Capital Projects	985,759	156,524	829,235
Enterprise	782,942	659,987	122,955
Fiduciary	40,000	40,418	(418)
Total	<u>\$4,577,096</u>	<u>\$2,681,253</u>	<u>\$1,895,843</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.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

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

5. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Fund (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans 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, members of OP&F contributed 9% and 10%, respectively, of their wages to the OP&F. For 2000 and 1999, the Village contributed an amount equal to 15.7% and 19.5% of their wages, respectively. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 10.84% and 13.55% of participants' gross salaries for 2000 and 1999, respectively. The Village has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to § 2744.081 of the Ohio Revised Code, the Plan is deemed 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 uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

The Village also provides health insurance coverage to full-time employees through a private carrier.



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OFFICE OF THE AUDITOR

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

Village of Hicksville
Defiance County
111-113 South Main Street
Hicksville, Ohio 43526-1398

To the Village Council:

We have audited the accompanying financial statements of the Village of Hicksville, Defiance County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 18, 2001. We conducted our audits 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.

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 June 18, 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 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 June 18, 2001.

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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

June 18, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF HICKSVILLE

DEFIANCE 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 12, 2001**