



**VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Holiday City
Williams County
14723 County Road M
Holiday City, Ohio 43543-9786

To the Village Council:

We have audited the accompanying financial statements of the Village of Holiday City, Williams County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances 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 March 7, 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 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

March 7, 2001

**VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$102,011		\$102,011
Intergovernmental Receipts	10,836	\$2,122	12,958
Interest	5,051	108	5,159
Miscellaneous	25,000		25,000
	<u>142,898</u>	<u>2,230</u>	<u>145,128</u>
Total Cash Receipts			
	<u>142,898</u>	<u>2,230</u>	<u>145,128</u>
Cash Disbursements:			
Current:			
Public Health Services	3,668		3,668
Basic Utility Services	12,228		12,228
General Government	63,760		63,760
Capital Outlay	15,104		15,104
	<u>94,760</u>		<u>94,760</u>
Total Cash Disbursements			
	<u>94,760</u>		<u>94,760</u>
Excess of Cash Receipts Over Cash Disbursements	48,138	2,230	50,368
Fund Cash Balances, January 1, 2000	141,351	3,192	144,543
	<u>141,351</u>	<u>3,192</u>	<u>144,543</u>
Fund Cash Balances, December 31, 2000	<u>\$189,489</u>	<u>\$5,422</u>	<u>\$194,911</u>
Reserves for Encumbrances, December 31			
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

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

VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY

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

	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	<u>\$981,747</u>
Operating Cash Disbursements:	
Fringe Benefits	468
Contractual Services	<u>947,889</u>
Total Operating Cash Disbursements	<u>948,357</u>
Operating Income	33,390
Fund Cash Balances, January 1	<u>15,728</u>
Fund Cash Balances, December 31	<u><u>\$49,118</u></u>
Reserve for Encumbrances, December 31	<u><u>\$123,032</u></u>

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

**VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$109,198		\$109,198
Intergovernmental Receipts	10,465	\$2,068	12,533
Interest	3,275	46	3,321
Miscellaneous	25,015		25,015
	<u>147,953</u>	<u>2,114</u>	<u>150,067</u>
Total Cash Receipts			
	<u>147,953</u>	<u>2,114</u>	<u>150,067</u>
Cash Disbursements:			
Current:			
Public Health Services	4,280		4,280
Transportation		108	108
General Government	63,025		63,025
Capital Outlay	995		995
	<u>68,300</u>	<u>108</u>	<u>68,408</u>
Total Cash Disbursements			
	<u>68,300</u>	<u>108</u>	<u>68,408</u>
Excess of Cash Receipts Over Cash Disbursements	79,653	2,006	81,659
Fund Cash Balances, January 1, 1999	61,698	1,186	62,884
	<u>61,698</u>	<u>1,186</u>	<u>62,884</u>
Fund Cash Balances, December 31, 1999	<u>\$141,351</u>	<u>\$3,192</u>	<u>\$144,543</u>
Reserves for Encumbrances, December 31			
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

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

VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY

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

	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	<u>\$283,350</u>
Operating Cash Disbursements:	
Fringe Benefits	190
Contractual Services	<u>267,432</u>
Total Operating Cash Disbursements	<u>267,622</u>
Operating Income	15,728
Fund Cash Balances, January 1	<u> </u>
Fund Cash Balances, December 31	<u><u>\$15,728</u></u>
Reserve for Encumbrances, December 31	<u><u>\$23,999</u></u>

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

**VILLAGE OF HOLIDAY CITY
WILLIAMS 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 Holiday City, Williams 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 electric 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. 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.

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 Fund:

Electric Fund - This fund receives payments from the Chase Brass & Copper Company for the use of the Village's electric lines.

**VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY**

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

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 level for fiscal 2000 and the fund, function or object level of control for fiscal 1999, 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.

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 and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31, 2000 and 1999 was \$244, 029 and \$160,271, respectively.

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.

3. BUDGETARY ACTIVITY

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

**VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY**

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$143,674	\$142,898	(\$776)
Special Revenue	1,901	2,230	329
Enterprise	<u>1,083,000</u>	<u>981,747</u>	<u>(101,253)</u>
Total	<u>\$1,228,575</u>	<u>\$1,126,875</u>	<u>(\$101,700)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$285,025	\$94,760	\$190,265
Special Revenue	5,093	5,093	5,093
Enterprise	<u>1,074,729</u>	<u>1,071,389</u>	<u>3,340</u>
Total	<u>\$1,364,847</u>	<u>\$1,166,149</u>	<u>\$198,698</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$127,988	\$147,953	\$19,965
Special Revenue	1,186	2,114	928
Enterprise	<u>306,000</u>	<u>283,350</u>	<u>(22,650)</u>
Total	<u>\$435,174</u>	<u>\$433,417</u>	<u>(\$1,757)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$188,208	\$68,300	\$119,908
Special Revenue	2,371	108	2,263
Enterprise	<u>305,141</u>	<u>291,621</u>	<u>13,520</u>
Total	<u>\$495,720</u>	<u>\$360,029</u>	<u>\$135,691</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

**VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY**

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

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.

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

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

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

5. RETIREMENT SYSTEMS

The Village's elected officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. 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 2000 and 1999, 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, 2000.

6. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- General liability;
- Errors and omissions; and
- UAN Computer.



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

Village of Holiday City
Williams County
14723 County Road M
Holiday City, Ohio 43543-9786

To the Village Council:

We have audited the accompanying financial statements of the Village of Holiday City, Williams County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 7, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated March 7, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated March 7, 2001.

Village of Holiday City
Williams County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of 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

March 7, 2001



STATE OF OHIO
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VILLAGE OF HOLIDAY CITY

WILLIAMS 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
MARCH 29, 2001**