

**Village of Powhatan Point**  
Belmont County, Ohio

**Regular Audit**

For the Years Ended December 31, 2000 - 1999





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Powhatan Point Village Council  
Village of Powhatan Point  
Belmont County  
104 Mellott Street  
Powhatan Point, Ohio 43942

We have reviewed the independent auditor's report of the Village of Powhatan Point, Belmont County, prepared by Knox & Knox, for the audit period January 1, 1999 through December 31, 2000. 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.

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 Powhatan Point is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

June 26, 2001

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VILLAGE OF POWHATAN POINT  
BELMONT COUNTY, OHIO

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# KNOX & KNOX

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Accountants and Consultants

## Report of Independent Accountants

Powhatan Point Village Council  
Village of Powhatan Point  
Belmont County  
104 Mellott Street  
Powhatan Point, Ohio 43942

To the Members of Village Council:

We have audited the accompanying financial statements of the Village of Powhatan Point, Belmont County, Ohio, (the Village) as of and for the years ended December 31, 2000 and December 31, 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 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 of the Village of Powhatan Point, Belmont County, Ohio, as of December 31, 2000 and December 31, 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 15, 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 *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the 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.

Knox & Knox

Orrville, Ohio  
June 15, 2001



VILLAGE OF POWHATAN POINT  
BELMONT 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

	Governmental Funds		Total
	General	Special Revenue	(Memorandum Only)
<b>Cash Receipts:</b>			
Local Taxes	\$157,012	\$125,469	\$ 282,481
Intergovernmental	96,240	62,444	158,684
Charges For Services	100	-0-	100
Fines, License and Permits	35,660	7,734	43,394
Miscellaneous	<u>16,306</u>	<u>15,959</u>	<u>32,265</u>
<b>Total Cash Receipts</b>	<b>305,318</b>	<b>211,606</b>	<b>516,924</b>
<b>Cash Disbursements:</b>			
Security of Persons and Property	146,995	104,658	251,653
Public Health Services	2,023	-0-	2,023
Transportation	-0-	96,912	96,912
General Government	95,631	906	96,537
Capital Outlay	<u>3,974</u>	<u>42,134</u>	<u>46,108</u>
<b>Total Cash Disbursements</b>	<b><u>248,623</u></b>	<b><u>244,610</u></b>	<b><u>493,233</u></b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>56,695</b>	<b>&lt; 33,004 &gt;</b>	<b>23,691</b>
<b>Other Financing Receipts/Disbursements:</b>			
Transfers-In	-0-	38,500	38,500
Transfers-Out	< 38,500 >	-0-	< 38,500 >
Other Sources	89	-0-	89
Other Uses	<u>-0-</u>	<u>&lt; 3,500 &gt;</u>	<u>&lt; 3,500 &gt;</u>
<b>Total Other Financing Receipts/Disbursements:</b>	<b>&lt; 38,411 &gt;</b>	<b><u>35,000</u></b>	<b><u>&lt; 3,411 &gt;</u></b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>18,284</b>	<b>1,996</b>	<b>20,280</b>
<b>Fund Cash Balances, January 1, 2000</b>	<b><u>135,189</u></b>	<b><u>57,473</u></b>	<b><u>192,662</u></b>
<b>Fund Cash Balances, December 31, 2000</b>	<b><u>\$153,473</u></b>	<b><u>\$ 59,469</u></b>	<b><u>\$212,942</u></b>

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

VILLAGE OF POWHATAN POINT  
BELMONT COUNTY

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

	<u>Proprietary Fund Type Enterprise</u>	<u>Fiduciary Fund Type Agency</u>	<u>Total (Memorandum Only)</u>
Operating Cash Receipts:			
Charges for Services	\$ 364,622	\$ -0-	\$ 364,622
Miscellaneous	<u>13,384</u>	<u>-0-</u>	<u>13,384</u>
Total Operating Cash Receipts	378,006	-0-	378,006
Operating Cash Disbursements:			
Personal Services	179,864	-0-	179,864
Contractual Services	36,585	-0-	36,585
Supplies and Materials	88,226	-0-	88,226
Capital Outlay	<u>80,549</u>	<u>-0-</u>	<u>80,549</u>
Total Operating Cash Disbursements	<u>385,224</u>	<u>-0-</u>	<u>385,224</u>
Operating Income/(Loss)	< 7,218>	-0-	< 7,218>
Non-operating Cash Receipts:			
Other Operating Revenue	<u>2,000</u>	<u>51,063</u>	<u>53,063</u>
Total Non-Operating Cash Receipts	2,000	51,063	53,063
Non-Operating Cash Disbursements:			
Debt Service	50,151	-0-	50,151
Other Non-Operating Expenses	<u>-0-</u>	<u>51,063</u>	<u>51,063</u>
Total Non-Operating Cash Disbursements	<u>50,051</u>	<u>51,063</u>	<u>101,214</u>
Excess of Non-Operating Receipts Over(under) Non-Operating Disbursements	<u>&lt;48,151&gt;</u>	<u>-0-</u>	<u>&lt; 48, 151&gt;</u>
Net Receipts Over/(Under) Disbursements	< 55,369>	-0-	< 55, 369>
Fund Cash Balances, January 1, 2000	<u>418,722</u>	<u>-0-</u>	<u>418,722</u>
Fund Cash Balances, December 31, 2000	<u>\$ 363,353</u>	<u>\$ -0-</u>	<u>\$ 363,353</u>

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

VILLAGE OF POWHATAN POINT  
BELMONT COUNTY

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

	Governmental Funds Types			Fiduciary Fund	
	Special		Debt	Type	Total
	General	Revenue	Service	Expendable (Memorandum Trust)	(Memorandum Only)
<b>Cash Receipts:</b>					
Local Taxes	\$162,265	\$ 86,578	\$ -0-	\$ -0-	\$248,843
Intergovernmental	134,026	58,715	-0-	-0-	192,741
Fines, License and Permits	42,845	8,704	-0-	-0-	51,549
Miscellaneous	<u>19,357</u>	<u>25,468</u>	<u>-0-</u>	<u>-0-</u>	<u>44,825</u>
<b>Total Cash Receipts</b>	<b>358,493</b>	<b>179,465</b>	<b>-0-</b>	<b>-0-</b>	<b>537,958</b>
<b>Cash Disbursements:</b>					
Security of Persons and Property	172,049	131,105	-0-	-0-	303,154
Public Health	4,124	-0-	-0-	-0-	4,124
Leisure Time Activities	4,682	-0-	-0-	-0-	4,682
Transportation	-0-	83,241	-0-	-0-	83,241
General Government	96,766	1,620	-0-	-0-	98,386
Capital Outlay	17,456	36,564	-0-	-0-	54,020
Debt Service	<u>-0-</u>	<u>16,811</u>	<u>-0-</u>	<u>-0-</u>	<u>16,811</u>
<b>Total Cash Disbursements</b>	<b><u>295,077</u></b>	<b><u>269,341</u></b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>	<b><u>564,418</u></b>
<b>Total Cash Receipts Over/(Under)</b>					
Cash Disbursements	63,416	< 89,876>	-0-	-0-	< 26,460>
<b>Other Financing Receipts/Disbursements:</b>					
Transfers-In	24,438	59,852	-0-	-0-	84,290
Transfers-Out	< 52,340>	< 29,857>	< 1,579>	< 514>	< 84,290>
Other Uses	<u>&lt; 6,010&gt;</u>	<u>&lt; 14,018&gt;</u>	<u>-0-</u>	<u>-0-</u>	<u>&lt; 20,028&gt;</u>
<b>Total Other Financing Receipts/Disbursements:</b>	<b><u>&lt; 33,912&gt;</u></b>	<b><u>15,977</u></b>	<b><u>&lt; 1,579&gt;</u></b>	<b><u>&lt; 514&gt;</u></b>	<b><u>&lt;20,028&gt;</u></b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>					
	29,504	<73,899>	< 1,579>	< 514>	<46,488>
<b>Fund Cash Balances, January 1, 1999</b>	<b><u>105,685</u></b>	<b><u>131,372</u></b>	<b><u>1,579</u></b>	<b><u>514</u></b>	<b><u>239,150</u></b>
<b>Fund Cash Balances, December 31, 1999</b>	<b>\$135,189</b>	<b>\$ 57,473</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 192,662</b>

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

VILLAGE OF POWHATAN POINT  
BELMONT COUNTY

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

	<u>Proprietary Fund Type Enterprise</u>	<u>Fiduciary Fund Type Agency</u>	<u>Total (Memorandum Only)</u>
Operating Cash Receipts:			
Charges for Services	\$ 424,104	\$ -0-	\$ 424,104
Total Operating Cash Receipts	<u>424,104</u>	<u>-0-</u>	<u>424,104</u>
Operating Cash Disbursements:			
Personal Services	173,027	-0-	173,027
Contractual Services	57,569	-0-	57,569
Supplies and Materials	49,772	-0-	49,772
Capital Outlay	<u>354,806</u>	<u>-0-</u>	<u>354,806</u>
Total Operating Cash Disbursements	<u>635,174</u>	<u>-0-</u>	<u>635,174</u>
Operating Income/(Loss)	<u>&lt; 211,070 &gt;</u>	<u>-0-</u>	<u>&lt; 211,070 &gt;</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts	219,869	52,961	272,830
Non-Operating Cash Disbursements:			
Debt Service	50,151	-0-	50,151
Other Non-Operating Cash Disbursements	<u>20,000</u>	<u>52,961</u>	<u>72,961</u>
Total Non-Operating Cash Disbursements	<u>70,151</u>	<u>52,961</u>	<u>123,112</u>
Excess of Non-Operating Receipts Over(Under) Non-Operating Disbursements	<u>149,718</u>	<u>-0-</u>	<u>149,718</u>
Net Receipts Over/Under Disbursements	< 61,352 >	-0-	< 61,352 >
Fund Cash Balances, January 1, 1999	<u>480,074</u>	<u>-0-</u>	<u>480,074</u>
Fund Cash Balances, December 31, 1999	<u>\$ 418,722</u>	<u>\$ -0-</u>	<u>\$ 418,722</u>

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

VILLAGE OF POWHATAN POINT  
BELMONT 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 Powhatan Point, Belmont 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 water and sewer utilities, maintenance of Village roads and bridges (public works), park operations (leisure time activities), police services and 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 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

Passbook savings accounts and U.S. Treasury Notes are recorded at cost.

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:

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 receives gasoline tax and motor vehicle license tax money for constructing, maintaining and repairing Village streets.

Fire and Emergency Fund - This fund receives property tax and fire contract revenues to operate the volunteer fire department and emergency squad.

VILLAGE OF POWHATAN POINT  
BELMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

Debt Service Fund

This fund is used to accumulate resources for the payment of bonds and note indebtedness. The Village Bond Retirement Fund was inactive during the audit period except for an interfund transfer during 1999.

Enterprise Fund

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.

Fiduciary Funds (Trust Fund)

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 non-expendable trust fund. Other funds are classified as expendable. The Village had the following significant Fiduciary Fund:

Police Pension Fund - This Expendable Trust Fund receives property tax revenues and interfund transfers to subsidize police pensions.

Fiduciary (Agency Fund)

Financial accountability for the Mayor's Court is that of an agent, acting in a fiduciary capacity for others. The court has no equity or ownership over the monies it controls. By virtue of Ohio law, the monies collected are distributed within a specified period of time to specific recipients. The records are kept on a cash basis.

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 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. 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.

VILLAGE OF POWHATAN POINT  
BELMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (Continued)

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are cancelled, and reappropriated in the subsequent year.

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

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:

	2000	1999
Dem and Deposits	\$236,295	\$256,384
Passbook Savings	250,000	250,000
Total Deposits	486,295	506,384
U.S. Treasury Notes	90,000	105,000
Total Investments	90,000	105,000
Total Deposits and Investments	\$576,295	\$611,384

Deposits:

Deposits are (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

Investments:

U.S. Treasury Notes 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.

VILLAGE OF POWHATAN POINT  
BELMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999

3. Budgetary Activity

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 348,995	\$ 305,407	<\$ 43,588>
Special Revenue	95,300	250,106	154,806
Enterprise	413,000	380,006	< 32,994>
Fiduciary	<u>51,063</u>	<u>51,063</u>	<u>-0-</u>
Total	<u>\$ 908,358</u>	<u>\$ 986,582</u>	<u>\$ 78,224</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$339,256	\$287,123	\$ 52,133
Special Revenue	275,800	248,110	27,690
Enterprise	476,072	435,375	40,697
Fiduciary	51,063	51,063	-0-
Total	<u>\$ 1,142,191</u>	<u>\$1,021,671</u>	<u>\$ 120,520</u>



VILLAGE OF POWHATAN POINT  
BELMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999

3. Budgetary Activity (Continued)

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 324,250	\$ 382,931	\$ 58,681
Special Revenue	67,700	239,317	171,617
Enterprise	385,000	643,973	258,973
Fiduciary	<u>54,061</u>	<u>52,961</u>	<u>&lt; 1,100&gt;</u>
Total	<u>\$ 831,011</u>	<u>\$1,319,182</u>	<u>\$ 488,171</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$398,010	\$353,427	\$ 44,583
Special Revenue	352,390	313,216	39,174
Debt Service	1,579	1,579	-0-
Enterprise	716,057	705,325	10,732
Fiduciary	<u>52,961</u>	<u>53,475</u>	<u>&lt; 514&gt;</u>
Total	<u>\$ 1,520,997</u>	<u>\$1,427,022</u>	<u>\$ 93,975</u>

Contrary to Ohio law, expenditures exceeded the appropriation authority in the Fiduciary Fund Type during 1999.

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.

VILLAGE OF POWHATAN POINT  
BELMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999

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, 2000 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 186,103	10.84%
Fire Truck Loan	\$223,003	4.9%
Landfill Settlement	\$ 12,000	-0-

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$403,587 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$25,076, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The fire truck loan was issued to purchase a new fire truck and equipment. The loan will be repaid in annual installments of \$28,740, including interest, over ten years. The fire truck and equipment were pledged as security.

The landfill settlement is the Village's share of closure and maintenance costs for the Buckeye Reclamation Landfill located in Belmont County. A \$30,000 settlement was negotiated in court to be paid in annual installments of \$6,000 over five years.

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

<u>Year ending</u> <u>December 31:</u>	<u>OWDA</u> <u>Loan</u>	<u>Fire</u> <u>Truck</u> <u>Loan</u>	<u>Landfill</u> <u>Settlement</u>
2001	\$ 50,152	\$ 28,740	\$ 6,000
2002	50,152	28,740	6,000
2003	50,152	28,740	
2004	50,152	28,740	
2005	50,152	28,740	
Subsequent	<u>25,076</u>	<u>143,699</u>	<u>          </u>
Total	<u>\$275,836</u>	<u>\$287,399</u>	<u>\$ 12,000</u>

VILLAGE OF POWHATAN POINT  
BELMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999

6. Retirement Systems

The Village's law enforcement officers belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement 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 PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members 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.

7. Risk Management

The village maintains insurance coverage with private carriers for the following risks:

- General liability and casualty
- Public officials' liability
- Vehicles

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

8. Contingent Liabilities

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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

Powhatan Point Village Council  
Village of Powhatan Point  
Belmont County  
104 Mellott Street  
Powhatan Point, Ohio 43942

To the Members of Village Council:

We have audited the financial statements of the Village of Powhatan Point, Belmont County, Ohio (the Village), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 15, 2001. 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 would 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2000-31007-001. We have also noted immaterial instances of non-compliance that we have reported to the Village in a separate letter dated June 15, 2001.

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 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 we have reported to management of the Village, in a separate letter dated June 15, 2001.

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

KNOX & KNOX

Orrville, Ohio  
June 15, 2001

VILLAGE OF POWHATAN POINT  
BELMONT COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999

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

FINDING NUMBER 2000-31007-001

**Noncompliance Citation**

Ohio Revised Code §5705.41 (B) states that no subdivision shall make any expenditure of money unless it has been lawfully appropriated.

The Fiduciary Fund Type had expenditures in excess of appropriations for the fiscal year ended December 31, 1999.

We recommend that the Village monitor expenditures to ensure that these remain within the respective appropriations.

VILLAGE OF POWHATAN POINT  
BELMONT COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2000 AND 1999

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer</u> Valid; <b><i>Explain:</i></b>
1998-31007-001	Ohio Revised Code, Section 5705.41 (D) requires a certificate of the fiscal officer be attached to expenditures of money.	Fully corrected in 1999	
1998-31007-002	Ohio Revised Code Section 5705.39 requires that the total appropriation from each shall not exceed certified resources for that fund.	Fully corrected in 1999	
1998-31007-003	Ohio Revised Code Section 5705.41(B) prohibits an expenditure unless it has been properly appropriated.	Fully corrected in 2000	
1998-31007-004	Ohio Administrative Code Section 117-5-11 sets forth the procedures for maintaining an appropriation ledger.	Fully corrected in 1999	
1998-31007-005	Ohio Administrative Code Section 117-5-13 requires that purchase orders be numbered consecutively, be made out in triplicate and completed properly.	Fully corrected in 1999	
1998-31007-006	Ohio Administrative Code Section 117-5-10 sets forth the procedures for maintaining a receipts ledger.	Fully corrected in 1999	







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
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**VILLAGE OF POWHATAN POINT**

**BELMONT 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 10, 2001**