



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

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**STATE OF OHIO**



VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Wintersville  
Jefferson County  
200 Grove Street  
Wintersville, Ohio 43953

To the Village Council:

We have audited the accompanying financial statements of the Village of Wintersville, Jefferson 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 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 Wintersville 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 6, 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 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 § 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 6, 2001

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**VILLAGE OF WINTERSVILLE  
JEFFERSON 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**

|   | <u>Governmental Fund Types</u> |                            |                         | <u>Fiduciary<br/>Fund Type</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|--------------------------------|----------------------------|-------------------------|--------------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Debt<br/>Service</u> | <u>Expendable<br/>Trust</u>    |   |
| <b>Cash Receipts:</b>   |                                |                            |                         |                                |   |
| Property Tax and Other Local Taxes  | \$687,969                      | \$244,965                  |                         | \$12,808                       | \$945,742                               |
| Special Assessments   |                                |                            | \$9,069                 |                                | 9,069                                   |
| Intergovernmental Receipts  | 236,721                        | 35,262                     |                         | 1,519                          | 273,502                                 |
| Charges for Services  | 313,428                        | 66                         |                         |                                | 313,494                                 |
| Fines, Licenses, and Permits  | 93,082                         |                            |                         |                                | 93,082                                  |
| Earnings on Investments   | 58,121                         |                            |                         |                                | 58,121                                  |
| Miscellaneous   | 27,615                         |                            |                         |                                | 27,615                                  |
| <b>Total Cash Receipts</b>  | <u>1,416,936</u>               | <u>280,293</u>             | <u>9,069</u>            | <u>14,327</u>                  | <u>1,720,625</u>                        |
| <b>Cash Disbursements:</b>  |                                |                            |                         |                                |   |
| Current:  |                                |                            |                         |                                |   |
| Security of Persons and Property  | 369,611                        | 214,794                    |                         | 42,757                         | 627,162                                 |
| Public Health Services  | 8,855                          |                            |                         |                                | 8,855                                   |
| Leisure Time Activities   | 11,591                         |                            |                         |                                | 11,591                                  |
| Community Environment   | 17,782                         |                            |                         |                                | 17,782                                  |
| Basic Utility Services  | 252,201                        |                            |                         |                                | 252,201                                 |
| Transportation  | 148,039                        | 226,840                    |                         |                                | 374,879                                 |
| General Government  | 292,984                        |                            | 76                      |                                | 293,060                                 |
| Debt Service:   |                                |                            |                         |                                |   |
| Principal Payments  | 160,000                        |                            |                         |                                | 160,000                                 |
| Interest Payments   | 49,859                         |                            |                         |                                | 49,859                                  |
| Capital Outlay  | 185,209                        |                            |                         |                                | 185,209                                 |
| <b>Total Cash Disbursements</b>   | <u>1,496,131</u>               | <u>441,634</u>             | <u>76</u>               | <u>42,757</u>                  | <u>1,980,598</u>                        |
| <b>Total Receipts Over/(Under) Disbursements</b>  | <u>(79,195)</u>                | <u>(161,341)</u>           | <u>8,993</u>            | <u>(28,430)</u>                | <u>(259,973)</u>                        |
| <b>Other Financing Receipts/(Disbursements):</b>  |                                |                            |                         |                                |   |
| Sale of Bonds or Notes  | 300,000                        |                            |                         |                                | 300,000                                 |
| Transfers-In  | 60,574                         | 165,322                    |                         | 36,159                         | 262,055                                 |
| Advances-In   | 108,000                        | 6,000                      |                         | 5,000                          | 119,000                                 |
| Transfers-Out   | (402,562)                      | (630)                      | (59,945)                |                                | (463,137)                               |
| Advances-Out  |                                | (11,000)                   |                         |                                | (11,000)                                |
| <b>Total Other Financing Receipts/(Disbursements)</b>   | <u>66,012</u>                  | <u>159,692</u>             | <u>(59,945)</u>         | <u>41,159</u>                  | <u>206,918</u>                          |
| <b>Excess of Cash Receipts and Other Financing<br/>Receipts Over/(Under) Cash Disbursements<br/>and Other Financing Disbursements</b> | <u>(13,183)</u>                | <u>(1,649)</u>             | <u>(50,952)</u>         | <u>12,729</u>                  | <u>(53,055)</u>                         |
| <b>Fund Cash Balances January 1</b>   | <u>528,274</u>                 | <u>27,489</u>              | <u>50,952</u>           |                                | <u>606,715</u>                          |
| <b>Fund Cash Balances, December 31</b>  | <u><b>\$515,091</b></u>        | <u><b>\$25,840</b></u>     |                         | <u><b>\$12,729</b></u>         | <u><b>\$553,660</b></u>                 |

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

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

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

|   | <u>Proprietary<br/>Fund Type</u> | <u>Fiduciary<br/>Fund Types</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|----------------------------------|---------------------------------|---|
|   | <u>Enterprise</u>                | <u>Agency</u>                   |   |
| <b>Operating Cash Receipts:</b>   |                                  |                                 |   |
| Charges for Services  | \$1,320,134                      |                                 | \$1,320,134                             |
| Miscellaneous   | 2,659                            |                                 | 2,659                                   |
| Total Operating Cash Receipts   | <u>1,322,793</u>                 |                                 | <u>1,322,793</u>                        |
| <b>Operating Cash Disbursements:</b>  |                                  |                                 |   |
| Personal Services   | 304,056                          |                                 | 304,056                                 |
| Contractual Services  | 566,255                          |                                 | 566,255                                 |
| Supplies and Materials  | 131,622                          |                                 | 131,622                                 |
| Capital Outlay  | 63,024                           |                                 | 63,024                                  |
| Total Operating Cash Disbursements  | <u>1,064,957</u>                 |                                 | <u>1,064,957</u>                        |
| Operating Income  | <u>257,836</u>                   |                                 | <u>257,836</u>                          |
| <b>Non-Operating Cash Receipts:</b>   |                                  |                                 |   |
| Property Tax and Other Local Taxes  |                                  | 99,801                          | 99,801                                  |
| Total Non-Operating Cash Receipts   |                                  | <u>99,801</u>                   | <u>99,801</u>                           |
| <b>Non-Operating Cash Disbursements:</b>  |                                  |                                 |   |
| Debt Service  | 549,767                          |                                 | 549,767                                 |
| Other Non-Operating Cash Disbursements  |                                  | 99,801                          | 99,801                                  |
| Total Non-Operating Cash Disbursements  | <u>549,767</u>                   | <u>99,801</u>                   | <u>649,568</u>                          |
| Excess of Receipts (Under) Disbursements<br>Before Interfund Transfers and Advances | (291,931)                        |                                 | (291,931)                               |
| Transfers-In  | 201,082                          |                                 | 201,082                                 |
| Advances-In   | 16,000                           |                                 | 16,000                                  |
| Advances-Out  | (124,000)                        |                                 | (124,000)                               |
| Net Receipts (Under) Disbursements  | (198,849)                        |                                 | (198,849)                               |
| Fund Cash Balances, January 1   | <u>517,014</u>                   |                                 | <u>517,014</u>                          |
| <b>Fund Cash Balances, December 31</b>  | <b><u>\$318,165</u></b>          |                                 | <b><u>\$318,165</u></b>                 |

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

**VILLAGE OF WINTERSVILLE  
JEFFERSON 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**

|   | <u>Governmental Fund Types</u> |                            |                         | <u>Fiduciary<br/>Fund Type</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|--------------------------------|----------------------------|-------------------------|--------------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Debt<br/>Service</u> | <u>Expendable<br/>Trust</u>    |   |
| <b>Cash Receipts:</b>   |                                |                            |                         |                                |   |
| Property Tax and Other Local Taxes  | \$710,365                      | \$111,857                  |                         | \$12,650                       | \$834,872                               |
| Special Assessments   |                                |                            | \$12,510                | 1,477                          | 13,987                                  |
| Intergovernmental Receipts  | 203,324                        | 161,938                    |                         |                                | 365,262                                 |
| Charges for Services  | 268,943                        | 489                        |                         |                                | 269,432                                 |
| Fines, Licenses, and Permits  | 85,912                         |                            |                         |                                | 85,912                                  |
| Earnings on Investments   | 60,828                         |                            |                         |                                | 60,828                                  |
| Miscellaneous   | 44,249                         |                            |                         |                                | 44,249                                  |
| <b>Total Cash Receipts</b>  | <u>1,373,621</u>               | <u>274,284</u>             | <u>12,510</u>           | <u>14,127</u>                  | <u>1,674,542</u>                        |
| <b>Cash Disbursements:</b>  |                                |                            |                         |                                |   |
| Current:  |                                |                            |                         |                                |   |
| Security of Persons and Property  | 254,265                        | 199,043                    |                         | 37,274                         | 490,582                                 |
| Public Health Services  | 8,796                          |                            |                         |                                | 8,796                                   |
| Leisure Time Activities   | 29,036                         |                            |                         |                                | 29,036                                  |
| Community Environment   | 5,000                          |                            |                         |                                | 5,000                                   |
| Basic Utility Services  | 273,545                        |                            |                         |                                | 273,545                                 |
| Transportation  | 160,194                        |                            |                         |                                | 160,194                                 |
| General Government  | 1,119,966                      | 235,529                    | 140                     |                                | 1,355,635                               |
| Debt Service:   |                                |                            |                         |                                |   |
| Principal Payments  | 105,000                        |                            |                         |                                | 105,000                                 |
| Interest Payments   | 47,112                         |                            |                         |                                | 47,112                                  |
| Capital Outlay  | 328,629                        |                            |                         |                                | 328,629                                 |
| <b>Total Cash Disbursements</b>   | <u>2,331,543</u>               | <u>434,572</u>             | <u>140</u>              | <u>37,274</u>                  | <u>2,803,529</u>                        |
| <b>Total Receipts (Under) Disbursements</b>   | <u>(957,922)</u>               | <u>(160,288)</u>           | <u>12,370</u>           | <u>(23,147)</u>                | <u>(1,128,987)</u>                      |
| <b>Other Financing Receipts/(Disbursements):</b>  |                                |                            |                         |                                |   |
| Sale of Bonds or Notes  | 400,000                        |                            |                         |                                | 400,000                                 |
| Transfers-In  |                                | 104,241                    |                         | 17,476                         | 121,717                                 |
| Transfers-Out   | (121,717)                      |                            |                         |                                | (121,717)                               |
| <b>Total Other Financing Receipts/(Disbursements)</b>   | <u>278,283</u>                 | <u>104,241</u>             |                         | <u>17,476</u>                  | <u>400,000</u>                          |
| <b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b> | <u>(679,639)</u>               | <u>(56,047)</u>            | <u>12,370</u>           | <u>(5,671)</u>                 | <u>(728,987)</u>                        |
| <b>Fund Cash Balances January 1</b>   | <u>1,207,913</u>               | <u>83,536</u>              | <u>38,582</u>           | <u>5,671</u>                   | <u>1,335,702</u>                        |
| <b>Fund Cash Balances, December 31</b>  | <u><u>\$528,274</u></u>        | <u><u>\$27,489</u></u>     | <u><u>\$50,952</u></u>  |                                | <u><u>\$606,715</u></u>                 |
| <b>Reserves for Encumbrances, December 31</b>   | <u><u>\$42,558</u></u>         | <u><u>\$16,907</u></u>     |                         |                                | <u><u>\$59,465</u></u>                  |

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

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

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

|  | <u>Proprietary<br/>Fund Type</u> | <u>Fiduciary<br/>Fund Types</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|----------------------------------|---------------------------------|---|
|  | <u>Enterprise</u>                | <u>Agency</u>                   |   |
| <b>Operating Cash Receipts:</b>          |                                  |                                 |   |
| Charges for Services                     | \$1,339,965                      |                                 | \$1,339,965                             |
| Miscellaneous                            | 403                              |                                 | 403                                     |
|  | <u>1,340,368</u>                 |                                 | <u>1,340,368</u>                        |
| <b>Operating Cash Disbursements:</b>     |                                  |                                 |   |
| Personal Services                        | 263,869                          |                                 | 263,869                                 |
| Contractual Services                     | 432,701                          |                                 | 432,701                                 |
| Supplies and Materials                   | 66,630                           |                                 | 66,630                                  |
| Capital Outlay                           | 229,278                          |                                 | 229,278                                 |
|  | <u>992,478</u>                   |                                 | <u>992,478</u>                          |
| Total Operating Cash Disbursements       | <u>992,478</u>                   |                                 | <u>992,478</u>                          |
| Operating Income                         | <u>347,890</u>                   |                                 | <u>347,890</u>                          |
| <b>Non-Operating Cash Receipts:</b>      |                                  |                                 |   |
| Property Tax and Other Local Taxes       |                                  | 97,013                          | 97,013                                  |
|  |                                  | <u>97,013</u>                   | <u>97,013</u>                           |
| Total Non-Operating Cash Receipts        |                                  | <u>97,013</u>                   | <u>97,013</u>                           |
| <b>Non-Operating Cash Disbursements:</b> |                                  |                                 |   |
| Debt Service                             | 549,767                          |                                 | 549,767                                 |
| Other Non-Operating Cash Disbursements   |                                  | 97,013                          | 97,013                                  |
|  | <u>549,767</u>                   | <u>97,013</u>                   | <u>646,780</u>                          |
| Total Non-Operating Cash Disbursements   | <u>549,767</u>                   | <u>97,013</u>                   | <u>646,780</u>                          |
| Net Receipts (Under) Disbursements       | (201,877)                        |                                 | (201,877)                               |
| Fund Cash Balances, January 1            | <u>718,891</u>                   |                                 | <u>718,891</u>                          |
| <b>Fund Cash Balances, December 31</b>   | <b><u>\$517,014</u></b>          |                                 | <b><u>\$517,014</u></b>                 |

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

**VILLAGE OF WINTERSVILLE  
JEFFERSON 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 Wintersville, Jefferson 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, park operations (leisure time activities), and police services.

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. The repurchase agreement is valued at the amount reported by the bank.

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:

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

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

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

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

*Police Levy Fund* - This fund receives levy money for the purpose of providing police protection within the Village.

**3. Debt Service Fund**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant Debt Service Fund:

*Water/Sewer Assessment Fund* - This water/sewer improvement project was financed with general obligation bonds of the Village. The debt is being retired from special assessments levied against the benefitting property owners.

**4. 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.

*Special Sewer Fund* - This fund receives a percentage of sewer revenue for the repayment of Ohio Water Development (OWDA) loans.

**5. 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 Pension Fund* - This fund was established to collect monies for quarterly pension payments for the Police Department.

*Magistrate's Court Fund* - This fund accounts for all activity of the Magistrate's Court.

**E. Budgetary Process**

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

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

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

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function 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 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:

|                                | <u>2000</u>       | <u>1999</u>         |
|--------------------------------|-------------------|---------------------|
| Demand deposits                | \$ (44,175)       | \$ 94,680           |
| Certificates of deposit        | 790,000           | 779,049             |
| Total deposits                 | <u>745,825</u>    | <u>873,729</u>      |
| Repurchase agreement           | 126,000           | 250,000             |
| Total investments              | <u>126,000</u>    | <u>250,000</u>      |
| Total deposits and investments | <u>\$ 871,825</u> | <u>\$ 1,123,729</u> |

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

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

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

**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:** Repurchase agreements are investments for which the securities are held by the counterparty, or by its trust department, or agency but not in the Village's name.

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts

| Fund Type       | Budgeted<br>Receipts | Actual<br>Receipts  | Variance          |
|-----------------|----------------------|---------------------|-------------------|
| General         | \$ 1,503,157         | \$ 1,777,510        | \$ 274,353        |
| Special Revenue | 439,167              | 445,615             | 6,448             |
| Debt Service    | 9,068                | 9,069               | 1                 |
| Enterprise      | 1,496,382            | 1,523,875           | 27,493            |
| Fiduciary       | 42,757               | 50,486              | 7,729             |
| Total           | <u>\$ 3,490,531</u>  | <u>\$ 3,806,555</u> | <u>\$ 316,024</u> |

2000 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type       | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance           |
|-----------------|----------------------------|---------------------------|--------------------|
| General         | \$ 1,752,926               | \$ 1,898,693              | \$ (145,767)       |
| Special Revenue | 294,134                    | 442,264                   | (148,130)          |
| Debt Service    | 50,952                     | 60,021                    | (9,069)            |
| Enterprise      | 1,860,098                  | 1,614,724                 | 245,374            |
| Fiduciary       | 14,241                     | 42,757                    | (28,516)           |
| Total           | <u>\$ 3,972,351</u>        | <u>\$ 4,058,459</u>       | <u>\$ (86,108)</u> |

1999 Budgeted vs. Actual Receipts

| Fund Type       | Budgeted<br>Receipts | Actual<br>Receipts  | Variance          |
|-----------------|----------------------|---------------------|-------------------|
| General         | \$ 1,289,101         | \$ 1,773,621        | \$ 484,520        |
| Special Revenue | 343,269              | 378,525             | 35,256            |
| Debt Service    | 0                    | 12,510              | 12,510            |
| Enterprise      | 1,387,767            | 1,340,368           | (47,399)          |
| Fiduciary       | 13,965               | 31,603              | 17,638            |
| Total           | <u>\$ 3,034,102</u>  | <u>\$ 3,536,627</u> | <u>\$ 502,525</u> |

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |            |
|---|----------------------------|---------------------------|------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance   |
| General   | \$ 2,779,789               | \$ 2,495,818              | \$ 283,971 |
| Special Revenue                                       | 422,579                    | 451,479                   | (28,900)   |
| Debt Service  | 38,582                     | 140                       | 38,442     |
| Enterprise  | 2,040,305                  | 1,542,245                 | 498,060    |
| Fiduciary   | 19,636                     | 37,274                    | (17,638)   |
| Total   | \$ 5,300,891               | \$ 4,526,956              | \$ 773,935 |

The Village did not properly certify and encumber funds for certain expenditures. This is in violation of Ohio Revised Code § 5705.41 (D).

Ohio Revised Code Section 5705.41(B) states no subdivision or taxing unit is to expend money unless it has been appropriated. In fiscal year 2000, expenditures exceeded appropriations in the General Fund, Special Revenue Funds, and Expendable Trust Funds. In fiscal year 1999, expenditures exceeded appropriations in the General Fund and Expendable Trust Funds.

**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, 2000 was as follows:

|  | Principal    | Interest Rate |
|--|--------------|---------------|
| Ohio Water Development Authority Loan (#143SRF)    | \$ 1,516,732 | 5.20%         |
| Ohio Water Development Authority Loan (#143SRFS)   | 118,027      | 4.80%         |
| Ohio Water Development Authority Loan (#103SRF)    | 2,857,472    | 5.00%         |
| General Obligation Bonds (Village complex bonds)   | 350,000      | 4.89%         |
| General Obligation Bonds (Village building bonds)  | 490,000      | 5.30%         |
| General Obligation Bonds (General operating bonds) | 300,000      | 5.66%         |
| Total  | \$ 5,632,231 |               |

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

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

**5. DEBT (Continued)**

The Ohio Water Development Authority (OWDA) loans relate to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA approved \$6,906,713 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$274,883, including interest, over 20 years. The scheduled payment amount below assumes that \$6,906,713 was borrowed. The scheduled payment will be adjusted to reflect any revisions in amounts actually borrowed. These loans are collateralized by future water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirement.

The General Obligation Village Complex bonds relate to the purchase and remodeling of the Village Municipal building.

The General Obligation Operating bond was taken out to meet general operating expenses. It will be repaid in full one year from the date taken out.

The General Obligation Debt of the Village is collateralized by the full faith and credit of the Village.

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

| For the<br>Year ending<br>December 31: | OWDA<br>Loan<br>(143SRF) | OWDA<br>Loan<br>(143SRFS) | OWDA<br>Loan<br>(103SRF) | General<br>Obligation<br>Complex<br>Bonds | General<br>Obligation<br>Building<br>Bonds | General<br>Obligation<br>Operating<br>Bond |
|--|--------------------------|---------------------------|--------------------------|---|--|--|
| 2001                                   | \$ 170,599               | \$ 12,576                 | \$ 366,592               | \$ 76,382                                 | \$ 134,513                                 | \$ 316,980                                 |
| 2002                                   | 170,599                  | 12,576                    | 366,592                  | 73,448                                    | 138,550                                    | 0  |
| 2003                                   | 170,599                  | 12,576                    | 366,592                  | 80,391                                    | 137,190                                    | 0  |
| 2004                                   | 170,599                  | 12,576                    | 366,592                  | 81,968                                    | 142,433                                    | 0  |
| 2005                                   | 170,599                  | 12,576                    | 366,592                  | 88,178                                    | 0  | 0  |
| Subsequent                             | <u>1,364,792</u>         | <u>100,608</u>            | <u>1,832,955</u>         | <u>0</u>                                  | <u>0</u>                                   | <u>0</u>                                   |
| Total                                  | <u>\$2,217,787</u>       | <u>\$ 163,488</u>         | <u>\$3,665,915</u>       | <u>\$ 400,367</u>                         | <u>\$ 552,686</u>                          | <u>\$ 316,980</u>                          |

**6. RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Police and Firemen's Disability and 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 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 PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. For 2000 and 1999 PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries in 1999 and 10.84% in 2000. The Village has paid all contributions required through December 31, 2000.

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

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

**7. RISK MANAGEMENT**

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

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

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

Village of Wintersville  
Jefferson County  
200 Grove Street  
Wintersville, OH 43953

To the Village Council:

We have audited the accompanying financial statements of the Village of Wintersville, Jefferson County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 6, 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 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* and which are described in the accompanying schedule of findings as items 2000-31241-001 through 2000-31241-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 6, 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. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Village's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2000-31241-004.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above, item 2000-31241-004, to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, which we have reported to management of the Village in a separate letter dated June 6, 2001.

Village of Wintersville  
Jefferson 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 the 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 6, 2001

VILLAGE OF WINTERSVILLE  
JEFFERSON 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 2000-31241-001

**Ohio Revised Code § 733.28** requires the village clerk/treasurer to keep the books of the village, exhibit accurate statements of all monies received and expended, of all the property owned by the village, and the income derived therefore, and of all taxes and assessments.

The Clerk/Treasurer failed to keep accurate records. Ledgers did not accurately reflect all the financial activity of the Village. In fiscal year 2000, transfers and advances as approved by the Council were not posted to the ledgers of the Village. In addition, debt payments were not properly posted to the appropriations ledger and debt proceeds were not properly posted to the receipts ledger. As a result, the Village books were not an accurate reflection of financial activities.

The Clerk/Treasurer should record all financial activity of the Village in the receipts ledger, appropriation ledger and the cash journal, as appropriate, so that accurate statements of all moneys received and expended can be prepared. Periodically, financial reports including all activity of the Village should be submitted to Council for review. Failure to post all financial activity to the Village ledgers resulted in several errors on the annual financial statements. Adjustments to include activity of all funds were made by the Village and are included in the financial statements.

FINDING NUMBER 2000-31241-002

**Ohio Revised Code § 5705.41 (D)** states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The amount so certified shall be recorded against the applicable appropriation account.

This section also provides two "exceptions" to the above requirements:

1. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
2. If the amount involved is less than one thousand dollars the fiscal officer issues a certificate, but may authorize it to be paid without the affirmation of the Council.

The Village did not properly certify 47% of tested expenditures in 1999 and 28% of tested expenditures in 2000. This included purchases which were not certified at all and purchases which were certified by the Village Administrator.

Failure to certify the availability of funds and encumber appropriations could result in overspending and negative cash balances. The Village should obtain approved purchase orders which include the fiscal officer's certification that the amount required to meet the obligation has been lawfully appropriated and authorized prior to making a commitment.

**FINDING NUMBER 2000-31241-003**

**Ohio Revised Code § 5705.41 (B)** states that no subdivision or taxing unit is to expend money unless it has been appropriated.

In fiscal year 2000, expenditures exceeded appropriations in the General Fund by 7.5%, in the Special Revenue Funds by 35% and in the Expendable Trust Funds by 67%. In fiscal year 1999, expenditures exceeded appropriations in the Special Revenue Funds by 6.5% and in the Expendable Trust Funds by 47%.

The Village Clerk/Treasurer should monitor expenditures by comparing the expenditures to appropriations and should approach Village Council to request amendments to the original appropriations as necessary to guard against overspending.

**FINDING NUMBER 2000-31241-004**

**Monthly Reconciliations**

Reconciliations were not performed for the months of September and October 1999. Reconciliations prepared for the months of November and December 1999 and October, November, and December of 2000 contained errors and certain unsupported reconciling items.

Certain outstanding checks and interest in transit, per the November 1999 reconciliation did not have supporting documentation. A miscellaneous adjustment appearing on the December 1999 reconciliation did not have support documentation. In October and November 2000, amounts reported as monthly interest and interest in transit were not supported by underlying documentation. The December 2000 reconciliation reported an adjustment, made due to an error in posting, which was incorrect. The amount reported as interest in transit was also incorrect.

Chapter 2, section V-B2 of the Village Officers Handbook states in part that it is the duty of the Clerk/Treasurer to reconcile the accounts of the Village monthly.

Failure to prepare accurate monthly reconciliations could result in errors that occur and are not detected in a timely manner.

The Village Clerk/Treasurer should reconcile book balances to the depository balance each month. Reconciling items should be supported by appropriate documentation and significant unusual items should be investigated. The reconciliation should be reviewed and approved by the appropriate level of management. The review and approval should be documented.



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 WINTERSVILLE**

**JEFFERSON 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 5, 2001**