

**VILLAGE OF WILMOT
STARK COUNTY
Regular Audit
December 31, 2009 and 2008**

Perry & Associates
Certified Public Accountants, A.C.



Mary Taylor, CPA

Auditor of State

Village Council
Village of Wilmot
P.O. Box 192
Wilmot, Ohio 44689

We have reviewed the *Independent Accountants' Report* of the Village of Wilmot, Stark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2008 through December 31, 2009. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Wilmot is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 15, 2010

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VILLAGE OF WILMOT
STARK COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

June 25, 2010

Village of Wilmot
Stark County
P.O. Box 192
Wilmot, Ohio 44689

To the Village Council:

We have audited the financial statements of the **Village of Wilmot, Stark County, Ohio, (the Village)** as of and for the years ended December 31, 2009 and 2008. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2009 and 2008 or its changes in financial position or cash flows for the years then ended.

Also, 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 Wilmot, Stark County, Ohio as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2010 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF WILMOT
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 9,516	\$ 1,694	\$ 11,210
Municipal Income Taxes	98,656	-	98,656
Intergovernmental	9,661	11,314	20,975
Fines, Licenses, and Permits	3,787	-	3,787
Interest	152	-	152
Miscellaneous	4,263	-	4,263
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	126,035	13,008	139,043
Cash Disbursements:			
Current:			
Security of Persons and Property	65,378	75	65,453
Public Health Services	935	-	935
Leisure Time Activities	1,041	-	1,041
Community Environment	100	-	100
Basic Utility Services	380	-	380
Transportation	29,960	17,394	47,354
General Government	34,466	-	34,466
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	132,260	17,469	149,729
Total Cash Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	(6,225)	(4,461)	(10,686)
Other Financing Receipts and (Disbursements):			
Transfer-In	-	3,000	3,000
Transfer-Out	(3,000)	-	(3,000)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(3,000)	3,000	-
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	(9,225)	(1,461)	(10,686)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	59,852	9,057	68,909
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>
	\$ 50,627	\$ 7,596	\$ 58,223
Reserve for Encumbrances, December 31	<hr/>	<hr/>	<hr/>
	\$ 6,347	\$ 148	\$ 6,495

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

**VILLAGE OF WILMOT
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 69,716	\$ -	\$ 69,716
Other Operating Receipts	50	-	50
Total Operating Cash Receipts	<u>69,766</u>	<u>-</u>	<u>69,766</u>
Operating Cash Disbursements:			
Personal Services	24,250	-	24,250
Employee Fringe Benefits	3,806	-	3,806
Contractual Services	256,100	-	256,100
Supplies and Materials	4,202	-	4,202
Other	2,765	-	2,765
Total Operating Cash Disbursements	<u>291,123</u>	<u>-</u>	<u>291,123</u>
Operating Income (Loss)	<u>(221,357)</u>	<u>-</u>	<u>(221,357)</u>
Non-Operating Cash Receipts/(Disbursements):			
Intergovernmental	109,141	-	109,141
Debt Proceeds	116,443	-	116,443
Capital Outlay	(513)	-	(513)
Redemption of Principal	(8,597)	-	(8,597)
Interest and Other Fiscal Charges	(1,615)	-	(1,615)
Total Non-Operating Cash Receipts/(Disbursements)	<u>214,859</u>	<u>-</u>	<u>214,859</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers	<u>(6,498)</u>	<u>-</u>	<u>(6,498)</u>
Transfer-In	19,140	-	19,140
Transfer-Out	(19,140)	-	(19,140)
Net Cash Receipts Over/(Under) Cash Disbursements	(6,498)	-	(6,498)
Fund Cash Balances, January 1	<u>59,339</u>	<u>494</u>	<u>59,833</u>
Fund Cash Balances, December 31	<u>\$ 52,841</u>	<u>\$ 494</u>	<u>\$ 53,335</u>
Reserve for Encumbrances, December 31	<u>\$ 69,113</u>	<u>\$ -</u>	<u>\$ 69,113</u>

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

**VILLAGE OF WILMOT
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property Tax and Local Taxes	\$ 9,541	\$ 1,578	\$ -	\$ 11,119
Municipal Income Taxes	110,079	-	-	110,079
Intergovernmental	9,844	10,942	-	20,786
Fines, Licenses, and Permits	145	-	-	145
Interest	2,030	34	-	2,064
Miscellaneous	1,663	158	-	1,821
	<u>133,302</u>	<u>12,712</u>	<u>-</u>	<u>146,014</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	60,668	-	-	60,668
Public Health Services	913	-	-	913
Leisure Time Activities	1,624	-	-	1,624
Community Environment	100	-	-	100
Basic Utility Services	445	-	-	445
Transportation	-	21,059	-	21,059
General Government	38,383	-	-	38,383
Debt Service:				
Redemption of Principal	-	-	7,767	7,767
Interest and Fiscal Charges	-	-	176	176
	<u>102,133</u>	<u>21,059</u>	<u>7,943</u>	<u>131,135</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Disbursements	<u>31,169</u>	<u>(8,347)</u>	<u>(7,943)</u>	<u>14,879</u>
Other Financing Receipts/(Disbursements):				
Transfer-In	-	8,768	7,943	16,711
Transfer-Out	(17,520)	-	-	(17,520)
	<u>(17,520)</u>	<u>8,768</u>	<u>7,943</u>	<u>(809)</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	13,649	421	-	14,070
Fund Cash Balances, January 1	<u>46,203</u>	<u>8,636</u>	<u>-</u>	<u>54,839</u>
Fund Cash Balances, December 31	<u>\$ 59,852</u>	<u>\$ 9,057</u>	<u>\$ -</u>	<u>\$ 68,909</u>
Reserve for Encumbrances, December 31	<u>\$ 1,422</u>	<u>\$ 237</u>	<u>\$ -</u>	<u>\$ 1,659</u>

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

**VILLAGE OF WILMOT
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 74,347	\$ -	\$ 74,347
Total Operating Cash Receipts	<u>74,347</u>	<u>-</u>	<u>74,347</u>
Operating Cash Disbursements:			
Personal Services	23,488	-	23,488
Employee Fringe Benefits	3,979	-	3,979
Contractual Services	28,395	-	28,395
Supplies and Materials	8,840	-	8,840
Other	2,259	-	2,259
Total Operating Cash Disbursements	<u>66,961</u>	<u>-</u>	<u>66,961</u>
Operating Income (Loss)	<u>7,386</u>	<u>-</u>	<u>7,386</u>
Non-Operating Cash Receipts/(Disbursements):			
Capital Outlay	(6,141)	-	(6,141)
Redemption of Principal	(8,128)	-	(8,128)
Interest	(2,084)	-	(2,084)
Total Non-Operating Cash Receipts/(Disbursements)	<u>(16,353)</u>	<u>-</u>	<u>(16,353)</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers	<u>(8,967)</u>	<u>-</u>	<u>(8,967)</u>
Transfer-In	<u>809</u>	<u>-</u>	<u>809</u>
Net Cash Receipts Over/(Under) Cash Disbursements	(8,158)	-	(8,158)
Fund Cash Balances, January 1	<u>67,497</u>	<u>494</u>	<u>67,991</u>
Fund Cash Balances, December 31	<u>\$ 59,339</u>	<u>\$ 494</u>	<u>\$ 59,833</u>
Reserve for Encumbrances, December 31	<u>\$ 2,738</u>	<u>\$ -</u>	<u>\$ 2,738</u>

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

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Wilmot, Stark 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 police services. The Village contracts with Wilmot Fire and Rescue, Inc. to provide fire protection 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. Deposits and Investments

The Village invests all funds in an interest-bearing checking account and STAR Ohio. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

D. Fund Accounting

The Village uses fund accounting to segregate cash that is 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 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:

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

Permissive Motor Vehicle License - This fund receives motor vehicle license tax money for constructing, maintaining and repairing Village roads and bridges.

3. Debt Service Funds

These funds account for resources the Village accumulates to pay bond and note debt. The Village had the following significant Debt Service Funds:

Hall Remodel Debt Service Fund – This fund receives transfers from the General Fund for retiring debt related to the remodeling of the Village Hall.

4. Enterprise Funds

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Operating Fund - This fund receives charges for services from residents, commercial users, and some out of town customers to cover water service costs.

Enterprise Improvement Fund – This fund receives OWDA and OPWC grant and loan revenue and transfers from the Water Operating Fund for construction related to the Village’s water system improvements.

5. Fiduciary Fund

The fiduciary fund includes an agency fund. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations, or other governments. The Village disburses these funds as directed by the individual, organization, or other government. The Village’s agency fund accounts for the Mayor’s Court.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control and appropriations may not exceed estimated resources. The Village 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.

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 in the subsequent year.

A summary of 2009 and 2008 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.

2. EQUITY IN POOLED DEPOSITS

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 deposits at December 31 was as follows:

	<u>2009</u>	<u>2008</u>
Demand Deposits	\$ 78,986	\$ 96,260
STAR Ohio	32,572	32,482
Total	<u>\$ 111,558</u>	<u>\$ 128,742</u>

Deposits are insured by the Federal Deposit Insurance Corporation.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 120,791	\$ 126,035	\$ 5,244
Special Revenue	18,695	16,008	(2,687)
Enterprise	405,633	314,490	(91,143)
Total	<u>\$ 545,119</u>	<u>\$ 456,533</u>	<u>\$ (88,586)</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 168,160	\$ 141,607	\$ 26,553
Special Revenue	20,780	17,617	3,163
Enterprise	429,152	390,101	39,051
Total	<u>\$ 618,092</u>	<u>\$ 549,325</u>	<u>\$ 68,767</u>

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 133,247	\$ 133,302	\$ 55
Special Revenue	19,445	21,480	2,035
Debt Service	7,943	7,943	-
Enterprise	75,231	75,156	(75)
Total	<u>\$ 235,866</u>	<u>\$ 237,881</u>	<u>\$ 2,015</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 144,660	\$ 121,075	\$ 23,585
Special Revenue	23,970	21,296	2,674
Debt Service	7,943	7,943	-
Enterprise	130,512	86,052	44,460
Total	<u>\$ 307,085</u>	<u>\$ 236,366</u>	<u>\$ 70,719</u>

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by 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.

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. LOCAL INCOME TAX

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file a return annually.

6. DEBT

Debt outstanding at December 31, 2009 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Water System Improvement Bond	\$ 18,713	5.875%
OWDA Waterline Replacement Loan	79,491	2%
OPWC Waterline Replacement Loan	36,952	0%
Total	<u>\$ 135,156</u>	

The Water System Improvement Bond relates to improvements made to the water system, such as building a new storage tank, water lines, access road, and chlorine contact tank, along with the related equipment.

The OWDA and OPWC Waterline Replacement Loans relate to replacing the existing water lines on Main Street and Maple Street, and includes the replacement of service lines, fire hydrants and valves. In addition to the loans, OPWC also provided a grant for this project. These projects have continued past the end of the audit period. The following amortization schedules reflect loan information currently available.

During the audit period, the Village paid off a Hall Remodeling Loan related to innovations made to the existing Village Hall with all related equipment.

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

6. DEBT (Continued)

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

Year ending December 31:	Water System Improvement Bond	OWDA Note	OPWC Note
2010	\$ 10,212	\$ 1,789	\$ 616
2011	10,212	3,578	616
2012	-	3,578	616
2013	-	3,578	616
2014	-	3,578	616
Thereafter	-	91,254	33,872
Total	<u>\$ 20,424</u>	<u>\$ 107,355</u>	<u>\$ 36,952</u>

7. RETIREMENT SYSTEMS

All of the Village's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS), except for one employee who has chosen to pay into Social Security instead. OPERS is a cost-sharing, multi-employer plan. This plan provides 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 2009 and 2008, members of OPERS contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2009.

8. RISK POOL MANAGEMENT

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), a nonassessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine, and other coverages, modified for each Member's needs.

The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except the Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts which vary from Member to Member.

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

8. RISK POOL MANAGEMENT (Continued)

Plan Members are responsible to notify the Plan of their intent to renew coverages by their renewal date. If a Member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former Member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settled claims have not exceeded this commercial coverage in any of the last three years. There have been significant reductions in insurance coverage from last year.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$ 10,471,114	\$ 11,136,455
Liabilities	<u>5,286,781</u>	<u>4,273,553</u>
Members' Equity	<u>\$ 5,184,333</u>	<u>\$ 6,862,902</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

June 25, 2010

Village of Wilmot
Stark County
P.O. Box 192
Wilmot, Ohio 44689

To the Village Council:

We have audited the financial statements of **Village of Wilmot, Stark County, Ohio** (the Village) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 25, 2010, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 25, 2010.

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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

VILLAGE OF WILMOT
STARK COUNTY

SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008

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

FINDING NUMBER 2009-001

Material Weakness

Posting Receipts and Expenditures

Receipts should be posted to the fund and line item accounts as established by Ohio Administrative Code.

During 2009, several receipts and expenditures related to the OWDA and OPWC loans and grants were not posted into accurate revenue classifications based on the source of the receipt or expenditure. Specifically, all OPWC and OWDA receipts were classified as intergovernmental receipts, instead of the loan proceeds being classified as such. In addition, OWDA made a disbursement on behalf of the Village that was not recorded on the Village's books. This resulted in two reclassification entries being made to the financial statements. The accompanying financial statements reflect all reclassifications.

We recommend the Fiscal Officer refer to the Ohio Administrative Code and/or the Ohio Village Handbook for guidance to determine the proper establishment of receipt and expenditure accounts and posting of receipts and expenditures. We also recommend that the Fiscal Officer use outside resources as available, including the OWDA web site, to ensure that she is accurately recording on-behalf receipts and disbursements.

Management's Response: We did not receive a response from officials to this finding.

**VILLAGE OF WILMOT
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2007-001	Ohio Rev. Code Sections 5705.14, 5705.15, and 5705.16 – Allowable transfers	Yes	



Mary Taylor, CPA
Auditor of State

VILLAGE OF WILMOT

STARK 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 27, 2010