



Dave Yost • Auditor of State



VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Village of Wintersville, Jefferson County, (the Village) as of and for the years ended December 31, 2014 and 2013.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our adverse and qualified audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinions on this accounting basis are in the *Additional Opinion Qualification and Unmodified Opinions* paragraphs below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

***Basis for Additional Opinion Qualification***

Magistrate's Court fines are reported as \$77,892 and \$105,099 for the years ended December 31, 2014 and 2013 respectively, which is 100% percent of total Agency Fund receipts for the years ended December 31, 2014 and 2013. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as fines. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

***Additional Opinion Qualification***

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* paragraph, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Agency Fund of the Village of Wintersville, Jefferson County as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the General, Special Revenue, Debt Service, Capital Projects, and Enterprise funds of the Village of Wintersville, Jefferson County as of December 31, 2014 and 2013, and their combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 29, 2015

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**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$165,997	\$341,496			\$507,493
Municipal Income Tax	995,606				995,606
Intergovernmental	67,074	313,464		79,540	460,078
Special Assessments		10,771			10,771
Charges for Services	57,751				57,751
Fines, Licenses and Permits	64,705	9,696			74,401
Earnings on Investments	267	10			277
Miscellaneous	45,998	50			46,048
<i>Total Cash Receipts</i>	<u>1,397,398</u>	<u>675,487</u>	<u>0</u>	<u>79,540</u>	<u>2,152,425</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	601,018	413,168			1,014,186
Public Health Services	13,417				13,417
Leisure Time Activities	19,814				19,814
Community Environment	1,838				1,838
Basic Utility Services		18,000			18,000
Transportation	328,441	261,004			589,445
General Government	328,604	796			329,400
Capital Outlay				79,540	79,540
Debt Service:					
Principal Retirement		41,424	25,100		66,524
Interest and Fiscal Charges		4,377	4,552		8,929
<i>Total Cash Disbursements</i>	<u>1,293,132</u>	<u>738,769</u>	<u>29,652</u>	<u>79,540</u>	<u>2,141,093</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>104,266</u>	<u>(63,282)</u>	<u>(29,652)</u>		<u>11,332</u>
<b>Other Financing Receipts (Disbursements)</b>					
Transfers In		143,450	28,250		171,700
Transfers Out	(171,725)				(171,725)
Advances In	17,000	17,000			34,000
Advances Out	(17,000)	(17,000)			(34,000)
Other Financing Sources	68	4,244			4,312
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(171,657)</u>	<u>147,694</u>	<u>28,250</u>		<u>4,287</u>
<i>Net Change in Fund Cash Balances</i>	<u>(67,391)</u>	<u>84,412</u>	<u>(1,402)</u>		<u>15,619</u>
<i>Fund Cash Balances, January 1</i>	<u>213,059</u>	<u>167,735</u>	<u>2,959</u>		<u>383,753</u>
<b>Fund Cash Balances, December 31</b>					
Restricted		252,147	1,557		253,704
Unassigned (Deficit)	145,668				145,668
<i>Fund Cash Balances, December 31</i>	<u>\$145,668</u>	<u>\$252,147</u>	<u>\$1,557</u>		<u>\$399,372</u>

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

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$2,340,346		\$2,340,346
Fines, Licenses and Permits		\$77,892	77,892
<i>Total Operating Cash Receipts</i>	<u>2,340,346</u>	<u>77,892</u>	<u>2,418,238</u>
<b>Operating Cash Disbursements</b>			
Personal Services	407,861		407,861
Employee Fringe Benefits	241,301		241,301
Contractual Services	1,080,567		1,080,567
Supplies and Materials	255,710		255,710
Other	12,543	82,092	94,635
<i>Total Operating Cash Disbursements</i>	<u>1,997,982</u>	<u>82,092</u>	<u>2,080,074</u>
<i>Operating Income (Loss)</i>	<u>342,364</u>	<u>(4,200)</u>	<u>338,164</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Intergovernmental	71,378		71,378
Other Debt Proceeds	1,411,038		1,411,038
Miscellaneous Receipts	4,489		4,489
Capital Outlay	(1,313,009)		(1,313,009)
Principal Retirement	(211,597)		(211,597)
Interest and Other Fiscal Charges	(31,382)		(31,382)
Other Financing Sources	5,339		5,339
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(63,744)</u>		<u>(63,744)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	278,620	(4,200)	274,420
Transfers In	25		25
<i>Net Change in Fund Cash Balances</i>	278,645	(4,200)	274,445
<i>Fund Cash Balances, January 1</i>	<u>1,334,549</u>	<u>1,416</u>	<u>1,335,965</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,613,194</u></u>	<u><u>(\$2,784)</u></u>	<u><u>\$1,610,410</u></u>

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

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$161,730	\$316,928		\$478,658
Municipal Income Tax	983,646			983,646
Intergovernmental	185,617	256,225		441,842
Special Assessments		22,183		22,183
Charges for Services	55,959			55,959
Fines, Licenses and Permits	82,333	9,221		91,554
Earnings on Investments	600	31		631
Miscellaneous	15,743	5,765		21,508
<i>Total Cash Receipts</i>	<u>1,485,628</u>	<u>610,353</u>		<u>2,095,981</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	627,684	458,747		1,086,431
Public Health Services	13,707			13,707
Leisure Time Activities	25,960	15,313		41,273
Community Environment	2,466			2,466
Transportation	379,673	223,544		603,217
General Government	376,981	515		377,496
Debt Service:				
Principal Retirement		44,708	25,560	70,268
Interest and Fiscal Charges		6,025	5,180	11,205
<i>Total Cash Disbursements</i>	<u>1,426,471</u>	<u>748,852</u>	<u>30,740</u>	<u>2,206,063</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>59,157</u>	<u>(138,499)</u>	<u>(30,740)</u>	<u>(110,082)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In		141,186	31,400	172,586
Transfers Out	(172,586)			(172,586)
Advances In	73,000	88,000		161,000
Advances Out	(88,000)	(73,000)		(161,000)
Other Financing Sources	1,238	7,392		8,630
Other Financing Uses	(774)	(160)		(934)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(187,122)</u>	<u>163,418</u>	<u>31,400</u>	<u>7,696</u>
<i>Net Change in Fund Cash Balances</i>	<u>(127,965)</u>	<u>24,919</u>	<u>660</u>	<u>(102,386)</u>
<i>Fund Cash Balances, January 1</i>	<u>341,024</u>	<u>142,816</u>	<u>2,299</u>	<u>486,139</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		167,735	2,959	170,694
Unassigned (Deficit)	213,059			213,059
<i>Fund Cash Balances, December 31</i>	<u>\$213,059</u>	<u>\$167,735</u>	<u>\$2,959</u>	<u>\$383,753</u>

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

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$2,355,425		\$2,355,425
Fines, Licenses and Permits		\$105,099	105,099
<i>Total Operating Cash Receipts</i>	<u>2,355,425</u>	<u>105,099</u>	<u>2,460,524</u>
<b>Operating Cash Disbursements</b>			
Personal Services	374,950		374,950
Employee Fringe Benefits	233,595		233,595
Contractual Services	1,255,810		1,255,810
Supplies and Materials	178,530		178,530
Other	13,792	103,854	117,646
<i>Total Operating Cash Disbursements</i>	<u>2,056,677</u>	<u>103,854</u>	<u>2,160,531</u>
<i>Operating Income (Loss)</i>	<u>298,748</u>	<u>1,245</u>	<u>299,993</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Intergovernmental	605,411		605,411
Other Debt Proceeds	1,762,974		1,762,974
Miscellaneous Receipts	11,367		11,367
Capital Outlay	(2,289,666)		(2,289,666)
Principal Retirement	(144,154)		(144,154)
Interest and Other Fiscal Charges	(11,934)		(11,934)
Other Financing Sources	2,623		2,623
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(63,379)</u>		<u>(63,379)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	<u>235,369</u>	<u>1,245</u>	<u>236,614</u>
Transfers In	218		218
Transfers Out	(218)		(218)
<i>Net Change in Fund Cash Balances</i>	<u>235,369</u>	<u>1,245</u>	<u>236,614</u>
<i>Fund Cash Balances, January 1</i>	<u>1,099,180</u>	<u>171</u>	<u>1,099,351</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,334,549</u></u>	<u><u>\$1,416</u></u>	<u><u>\$1,335,965</u></u>

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Wintersville, Jefferson County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with Wintersville Volunteer Fire Department to receive fire protection services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits and Investments**

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale 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 accounts for and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. 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, 2014 AND 2013  
(Continued)**

**1. Summary of Significant Accounting Policies - (Continued)**

Fire Levy Fund – This fund receives tax levy money for the payment of fire protection contracts.

**3. Debt Service Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Bonded Debt Service Fund – This fund accumulates money for the repayment of bonded debt.

**4. Capital Project Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

Issue II Fund – This fund accounts for Ohio Public Works Commission funding that is paid on-behalf of the Village.

**5. 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 Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

**6. Fiduciary Funds**

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

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 Magistrate's Court activity.

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**1. Summary of Significant Accounting Policies - (Continued)**

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. 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 approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual 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 2014 and 2013 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**1. Summary of Significant Accounting Policies - (Continued)**

**3. Committed**

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. Property, Plant, and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. Equity in Pooled Deposits and Investments**

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	<u>2014</u>	<u>2013</u>
Demand deposits	<u>\$2,009,782</u>	<u>\$1,719,718</u>
Total deposits	<u><u>\$2,009,782</u></u>	<u><u>\$1,719,718</u></u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2014 and December 31, 2013 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	1,551,000	1,414,466	(\$136,534)
Special Revenue	1,813,297	840,181	(973,116)
Debt Service	34,400	28,250	(6,150)
Capital Projects	79,540	79,540	0
Enterprise	10,134,245	3,832,615	(6,301,630)
Total	\$13,612,482	\$6,195,052	(\$7,417,430)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	1,551,000	1,481,857	\$69,143
Special Revenue	1,860,383	755,769	1,104,614
Debt Service	34,100	29,652	4,448
Capital Projects	79,540	79,540	0
Enterprise	9,964,105	3,553,970	6,410,135
Total	\$13,489,128	\$5,900,788	\$7,588,340

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	1,916,112	1,559,866	(\$356,246)
Special Revenue	1,468,521	846,931	(621,590)
Debt Service	33,699	31,400	(2,299)
Enterprise	3,908,457	4,738,018	829,561
Total	\$7,326,789	\$7,176,215	(\$150,574)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	1,772,000	1,687,831	\$84,169
Special Revenue	2,315,959	822,012	1,493,947
Debt Service	33,400	30,740	2,660
Enterprise	9,799,351	4,502,649	5,296,702
Total	\$13,920,710	\$7,043,232	\$6,877,478

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**3. Budgetary Activity - (Continued)**

Contrary to Ohio law, budgetary expenditures exceeded appropriations in the Street and Police Levy funds by \$22,090 and \$52,813, respectively, for the year ended December 31, 2013. Also contrary to Ohio law, at December 31, 2013, appropriations exceeded estimated resources in the Fire Levy Fund by \$18,672. In addition, contrary to Ohio law, the Village did not properly certify 94% of tested expenditures for 2013 and 2014.

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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 2 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 R.I.T.A either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**6. Debt**

Debt outstanding at December 31, 2014 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$144,800	5.87%
Sams Way Note	\$22,503	4.32%
Special Assessment Bond	\$45,000	4.60%
Ohio Public Works Commission Loan CT32J	\$65,000	0.00%
Ohio Public Works Commission Loan CN40M	\$33,859	0.00%
Ohio Public Works Commission Loan CT46O	475,000	0.00%
Ohio Water Development Authority Loan 6821	2,139,707	1.00%
Ohio Water Development Authority Loan 6554	185,243	1.00%
Ohio Water Development Authority Loan 6774	206,119	1.00%
Total	\$3,317,231	

The General Obligation Bonds relate to a capital facilities bond refunding issue and a street repaving project. The General Obligation bonds are collateralized by the village's taxing authority. The Village intends to repay bonds through local income tax receipts and charges for services.

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**6. Debt – (Continued)**

The Sam's Way Note was used to finance a paving project in a particular neighborhood. A special assessment has been placed on the property owners on the street and will be collected through property tax collections of the County Auditor. The Village intends to repay bonds with the special assessments collected.

An additional bond issue was used to repave Garden Drive and install curbs. A special assessment was placed on property owners and is collected by the County Auditor through property tax collections. The Village intends to repay bonds with the special assessments collected.

Ohio Public Works Commission (OPWC) Loan CT32J was used to finance a road paving and reconstruction project. The loan is collateralized by the Village's taxing authority

Ohio Public Works Commission (OPWC) Loan NC40M was used to finance a Water Tank Refurbishment Project. The loan is collateralized by the Village's taxing authority.

Ohio Public Works Commission (OPWC) Loan CT46O and Ohio Water Development Authority (OWDA) Loan 6281 were used to finance upgrades to the Villages Wastewater Treatment Plant that were mandated by the EPA. This is a multi-phase project. This was phase I of the plant upgrades. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

Ohio Water Development Authority (OWDA) Loan 6554 was used for the planning of phase III of the EPA mandated upgrades to the Village's Wastewater Treatment Plant. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Ohio Water Development Authority (OWDA) Loan 6774 is being used for phase II of the EPA mandated improvement to the Village's Wastewater Treatment plant for pump station improvements.

The Village has been authorized for \$2,290,249 on this issue but has only drawn \$206,118.89 as of 12/31/14. The first scheduled payment on this issue is July 1, 2015. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**6. Debt – (Continued)**

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

Year ending	General Obligation Bonds	Sams Way Loan	Special Assessment Bonds	OPWC CT32J
December 31:				
2015	\$76,929	\$23,435	\$17,070	\$5,000
2016	76,891		16,380	5,000
2017			15,690	5,000
2018				5,000
2019				5,000
2020-2024				25,000
2025-2029				15,000
Total	<u>\$153,820</u>	<u>\$23,435</u>	<u>\$49,140</u>	<u>\$65,000</u>

  

Year ending	OPWC CN40M	OPWC CT46O	OWDA 6281	OWDA 6654
December 31:				
2015	\$2,184	\$25,000	\$136,892	\$75,536
2016	2,184	25,000	136,892	75,536
2017	2,184	25,000	136,892	75,536
2018	2,184	25,000	136,892	75,536
2019	2,184	25,000	136,892	75,536
2020-2024	10,923	125,000	684,462	
2025-2029	10,923	125,000	684,462	
2030-2034	1,093	100,000	547,569	
Total	<u>\$33,859</u>	<u>\$475,000</u>	<u>\$2,600,953</u>	<u>\$377,680</u>

**7. Retirement Systems**

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For January through June 2013, OP&F participants contributed 10% of their wages, for July 2013 to June 2014 participants contributed 10.75% of the wages and for July through December 2014, members contributed 11.5% of their wages. For 2014 and 2013, the Village contributed to OP&F an amount equal to 19.5% of full-time police members. For 2014 and 2013, OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2014.

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**8. Risk Management**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Wintersville, Jefferson County, (the Village) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated July 29, 2015, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also qualified our opinion due to the Village's lack of sufficient appropriate audit evidence supporting the amounts reported as Agency Fund fines.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2014-005, 2014-006 and 2014-008 described in the accompanying schedule of findings to be material weaknesses.

***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, opining 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2014-001 through 2014-004, 2014-007 and 2014-009.

***Entity's Response to Findings***

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 29, 2015

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY  
  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2014 AND 2013**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2014-001**

**Finding for Recovery Repaid Under Audit – Overpayment of Compensation**

**Village Ordinance 2011-04** states that Council members will be compensated at a rate of \$500 per month or \$6,000 annually. For 2014, Councilman Thomas Bottorf was paid \$6,500 rather than the authorized \$6,000.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Thomas Bottorf in the amount of \$500 and in favor of the General Fund.

The Village withheld \$500 from the February 2015 pay for Thomas Bottorf to repay this finding.

**Official's Response:**

Council person Tom Bottorf had requested to switch his pay from monthly to every other month. In doing so the village mistakenly overpaid him by one month (\$500) in 2014. The village corrected this over payment in early 2015. His total amount paid in 2015 will be \$5,500 for the year instead of \$6,000.

**FINDING NUMBER 2014-002**

**Finding for Recovery - Overpayment of Travel Allowance**

**Village Ordinance 2011-04** states that the Village Administrator will receive a travel allowance of \$200 per month or \$2,400 per year. In 2014, Walt Zeimba, Village Administrator, received a travel allowance of \$200 per pay. As a result, he was overcompensated by \$2,400.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code §117.28, a Finding for Recovery for public money illegally expended is hereby issued against Walt Zimba, Village Administrator and in favor of the Village of Wintersville' s General Fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of the expenditure. Seward v. National Surety Corp., 120 Ohio St. 47 (1929); 1980 Op. Atty Gen. No. 80-074; Ohio Rev. Code §9.39; State, ex.rel. Village of Linndale v. Masten, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Atty Gen. No. 80-074.

The total \$2,400 improper payments to Walt Zimba occurred when Mike Payne was the Village Clerk/Treasurer. Mike Payne signed the warrants resulting in improper payments. Mike Payne and his bonding Company, Auto-Owners (Mutual) Insurance Company will be jointly and severally liable in the amount of \$2,400 and in favor of the Village of Wintersville' s General Fund.

**Official's Response:**

The Village is currently withholding Mr. Zimba's travel allowance for 2015 and repayment in full will be completed in January 2016.

**FINDING NUMBER 2014-003**

**Finding for Recovery - Magistrate Court Receipts**

**Ohio Rev. Code § 9.39** provides that public officials are liable for all public money received or collected by them or by their subordinates under the color of office. The Magistrate Court Clerk is responsible for collecting, recording, and depositing Magistrate Court receipts. For the time period of January 1, 2013 through March 31, 2015, Angela Householder was the Magistrate Court Clerk.

Monies collected on behalf of the Magistrate Court were not always deposited with the Village depository. For the period of January 1, 2013 to March 31, 2015, \$3,120 in cash receipts were posted to the Magistrate Court Monthly Cashbook and never deposited with the Village depository.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen.No. 80-074, Ohio Rev. Code Section 9.39, State ex rel. Village of Linndale v. Mastern (1985); 19 Ohio St. 3d. 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or stolen property. 1980 Att’y Gen. No. 80-074.24.

In accordance with the forgoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public money collected but not accounted for is hereby issued against Angela Householder, Magistrate Court Clerk, and Western Surety Company, her bonding company, jointly and severally for \$3,120 and in favor of the Magistrate's Court fund.

**Official's Response:**

The village has given Angela Householder 30 days to pay the \$3,120 finding, with a due date of September 25, 2015. If the funds are not repaid by that date the village will turn the finding over to its bonding company.

**FINDING NUMBER 2014-004**

**Non-Compliance Citation**

**Expenditures Exceed Appropriations**

**Ohio Rev. Code § 5705.41(B)** states in part that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated.

Due to authorized appropriations not being properly recorded in the Village's accounting records in 2013, as described in finding number 2014-008, expenditures exceeded appropriations in the Street and Police Levy funds as follows:

<b>Fund</b>	<b>Final Appropriations</b>	<b>Expenditures + O/S Encumbrances</b>	<b>\$ Variance</b>	<b>% Variance</b>
Street	\$177,000	\$199,090	(\$22,090)	12.48%
Police Levy	\$91,400	\$144,213	(\$52,813)	57.78%

Spending money in excess of appropriations could lead to deficit fund balances.

**FINDING NUMBER 2014-004  
 (Continued)**

We recommend that the Village take the steps necessary to monitor actual expenditures in comparison to appropriations. When necessary, appropriations should be amended to meet the level of spending. If it is not possible to make the necessary appropriation amendments, the Village should take the necessary measure to reduce spending within appropriated levels.

**Official's Response:** No response received.

**FINDING NUMBER 2014-005**

**Material Weakness**

**Posting of Receipts and Expenditures**

Sound accounting practices require the Village to maintain an accounting system that enables them to identify, assemble, analyze, classify, record and report all transactions. The Village Clerk/Treasurer did not correctly post all receipts and disbursements in 2013 and 2014. This was attributed to the village clerk not abiding by the adopted chart of accounts. These mispostings resulted in reclassifications ranging from \$940 to \$337,095 in 2013, and from \$1,557 to \$203,816 in 2014. In addition, numerous adjustments to the financial statements resulted in the following fund balance changes:

**2013:**

<b>Fund</b>	<b>Changes in Fund Balance Increase/(Decrease)</b>
General	(\$20,925)
Street Construction, Maintenance, and Repair	(\$2,500)
Police Disability and Pension	\$1,335
Emergency Medical Services Levy	\$2,225
Old Police Levy	\$3,052
Fire Levy	\$9,663
2008 Police Levy	\$4,450
Water Repair and Improvement	\$2,500
Mayors Court	\$1,416

**2014:**

<b>Fund</b>	<b>Changes in Fund Balance Increase/(Decrease)</b>
General	(\$41,141)
Police Disability and Pension	\$2,635
Emergency Medical Services Levy	\$6,747
Old Police Levy	\$6,047
Fire Levy	\$19,157
2008 Police Levy	\$8,784
Sewer Repair and Improvement	(\$223,207)
WPCLF – Phase II	\$206,046
WPCLF – Phase III	\$17,162
Mayors Court	(\$4,200)

**FINDING NUMBER 2014-005  
(Continued)**

In 2013 and 2014, the Village also failed to record on behalf payments from the Ohio Public Works Commission and Ohio Water Development Authority. Failure to accurately post receipts and disbursements of the Village does not provide for an accurate financial picture of the Village. The Village Clerk/Treasurer has agreed to the reclassifications and adjustments and these corrected amounts are reflected in the accompanying financial statements.

The Village Clerk/Treasurer should review the current procedures for recording receipts and disbursements and review the UAN chart of accounts to determine the proper account codes in which to record various transactions. The Village Clerk/Treasurer should refer to Auditor of State Bulletin 2000-008, which provides guidance on accounting for on-behalf-of programs when a local government or its residents are beneficiaries of the program. The Village Clerk/Treasurer should maintain the accounting system to enable the Village to identify, assemble, analyze, classify record and report all transactions and to maintain accountability. The Village should adopt procedures for the review of posted transactions and subsequent reporting on the financial statements.

**Officials Response:** No response received.

**FINDING NUMBER 2014-006**

**Material Weakness**

**Magistrate Court Cycle**

The Village Magistrate Court is required to establish internal control procedures to ensure proper recording of court transactions. In addition, personnel should be adequately trained to perform duties regarding the recording of court activities and monthly monitoring of financial activity should be completed to ensure completeness and accuracy.

The Village procedures for collecting, recording, and distributing Magistrate Court revenue lack effective internal controls. Specific weaknesses identified in the current system are:

- Pre-numbered duplicate receipts are not always prepared when monies are collected.
- Receipts and disbursements are not always posted to the cashbook; therefore the cashbook is not complete.
- Receipts and disbursements are not always recorded in the cashbook; therefore they are not recorded in the docket.
- Deposits are not always made in a timely manner.
- Supporting documentation for deposits is not always maintained.
- Monthly reconciliations are not prepared.
- Monthly financial reports are not always accurate.
- Credit Card fees are not reported and recorded on the Village ledgers.
- The Magistrate Clerk is not properly trained regarding court record keeping requirements.

The risk of not addressing these weaknesses increases the risk of theft and/or fraud of Village assets and that Magistrate Court receipts and disbursements are not properly recorded, distributed, and reported.

**FINDING NUMBER 2014-006  
(Continued)**

Specific policies and procedures for the Magistrate Court activity should be established, approved by Council, and made available to employees. The policies and procedures should include but not limited to:

- Pre-numbered duplicate receipts should be prepared for all monies collected.
- All receipts and disbursements should be posted to the cashbook to ensure a complete and accurate record of collections.
- Deposits should be made daily and should be reconciled to the daily collections prior to deposit.
- Supporting documentation should be maintained for all deposits.
- Monthly accurate bank reconciliations should be prepared and reviewed by a supervisor.
- Monthly reports should accurately reflect the monthly collections and distribution.
- All collections, fees, and disbursements should be reported to the Village Clerk/Treasurer for accurate recording on the Village ledgers.
- The Magistrate Court Clerk should attend annual training for court clerks to ensure an understanding of records required to document court financial activity.

Establishing and implementing internal control policies and procedures for the Magistrate Court activity will help ensure the Village is collecting the revenue that is due and distributing and reporting the collections accurately.

**Official's Response:** No response received.

**FINDING NUMBER 2014-007**

**Non-Compliance Citation**

**Appropriations exceed Estimated Receipts**

**Ohio Rev. Code § 5705.39** states that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the budget commission, or in case of appeal, by the board of tax appeals.

In 2013, appropriations exceeded estimated resources in the Fire Levy Fund. Estimated resources were \$151,528 while appropriations were \$170,200. Appropriations exceeded estimated resources by \$18,672 or 11 percent. Due to a lack of oversight by the governing body, necessary budgetary amendments were not made.

When appropriations exceed estimated receipts, the chances of overspending occurring are greatly increased. Spending more than is available can result in deficit fund balances and additional instances of non-compliance.

We recommend that the Village take the necessary steps to monitor budgetary activity to help ensure that appropriations do not exceed estimated resources.

**Official's Response:** No response received.

**FINDING NUMBER 2014-008**

**Material Weakness**

**Proper Posting Authorized Budgetary Measures**

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow village council to make informed decisions regarding budgetary matters.

Due to a lack of oversight of village officials, the Village did not accurately post authorized budgetary measures to the accounting ledgers in 2013.

Variations between authorized receipts and posted estimated receipts are detailed below:

<b>Fund</b>	<b>Estimated Receipts per Final Certificate</b>	<b>Estimated Receipts per Receipts Ledger</b>	<b>Dollar Variance</b>	<b>Percent Variance</b>
General	\$1,575,457	\$1,772,000	\$196,543	12.48%
Street	234,604	207,500	(27,104)	(11.55%)
Fire Levy	151,528	170,200	18,672	12.32%
Police Levy	125,366	113,000	(12,366)	(9.86%)
Debt Service	31,400	33,700	2,300	7.32%
Water Revenue	758,957	806,000	47,043	6.20%
Sewer Revenue	958,717	1,355,218	396,501	41.36%
Sanitation Revenue	382,106	462,500	80,394	21.04%

Variations between authorized appropriations and posted appropriations are detailed below:

<b>Fund</b>	<b>Final Appropriations</b>	<b>Posted Appropriations</b>	<b>Dollar Variance</b>	<b>Percent Variance</b>
General	\$1,722,000	\$1,756,850	(15,150)	(.85%)
Street	177,000	196,800	19,800	11.19%
Police Levy	91,400	113,000	21,600	23.63%
Water Operating	806,000	807,000	1,000	.12%
Sewer Operating	1,355,000	1,354,500	(500)	(.04%)
Sanitation Operating	72,500	472,545	45	(.01%)
<b>Appropriations by Line Item:</b>				
1000-110-190	\$292,000	\$325,179	\$33,179	11.36%
2011-630-420	58,000	91,805	33,805	58.28%

When authorized budgetary measures are not accurately posted to the ledgers, the budget vs. actual information generated by the Village's accounting system is not an accurate reflection of the intentions of the Council.

**FINDING NUMBER 2014-008  
(Continued)**

We recommend the Village take the steps necessary to ensure that authorized budgetary measures are accurately posted to the Village ledgers.

**Official's Response:** No response received.

**FINDING NUMBER 2014-009**

**Non-Compliance Citation**

**Proper Certification of Expenditures**

**Ohio Rev. Code § 5705.41(D)** requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

- 1. Then and Now certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

- 2. Blanket Certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

**FINDING NUMBER 2014-009  
(Continued)**

**3. Super Blanket Certificate** – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

During 2013 and 2014, 94 percent of the expenditures tested were not certified by the Clerk-Treasurer prior to incurring the obligation. It was also found that none of the three exceptions above was utilized for the items found to be in noncompliance.

Failure to properly certify monies were properly appropriated and available could result in overspending. We recommend the Village certify the availability of funds for expenditure prior to incurring the obligation and also implement the use of Then and Now Certificates when appropriate as further means to certify funds pursuant to Ohio Rev. Code Section 5705.41(D).

**Official's Response:** No response received.

**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2012-01	<b>Ohio Rev. Code § 5075.41(D)</b>	No	Re-issued in current year report as finding number 2014-009.
2012-02	Failure to Accurately Reconcile on a Monthly Basis	No	Cited in the management letter-
2012-03	Failure to Accurately Post Receipts and Disbursements	No	Re-issued in current year report as finding 2014-005.

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# Dave Yost • Auditor of State

**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  
SEPTEMBER 15, 2015**