



**VILLAGE OF HOYTVILLE
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF HOYTVILLE
WOOD COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Hoytville
Wood County
2418 South Main Street
P.O. Box 135
Hoytville, Ohio 43529-0135

To the Village Council:

We have audited the accompanying financial statements of the Village of Hoytville, Wood County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 1999 and 1998, 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 September 29, 2000 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.

This report is intended solely for the information and use of the audit committee, management, Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

September 29, 2000

**VILLAGE OF HOYTVILLE
WOOD 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 Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$4,849			\$4,849
Special Assessments		\$6,949		6,949
Intergovernmental Receipts	16,359	8,394		24,753
Charges for Services	2,000			2,000
Fines, Licenses, and Permits	31			31
Earnings on Investments	1,799	5	\$248	2,052
Miscellaneous	49,230			49,230
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	74,268	15,348	248	89,864
Cash Disbursements:				
Current:				
Security of Persons and Property	3,892			3,892
Leisure Time Activities	9,236			9,236
Community Environment	3,500	118		3,618
Transportation		144		144
General Government	43,102			43,102
Capital Outlay		16,175		16,175
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	59,730	16,437		76,167
Total Receipts Over/(Under) Disbursements	14,538	(1,089)	248	13,697
Fund Cash Balances, January 1	8,897	10,691	22,353	41,941
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$23,435	\$9,602	\$22,601	\$55,638
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Reserves for Encumbrances, December 31	\$14,766			\$14,766

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

**VILLAGE OF HOYTVILLE
WOOD COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$23,582
Operating Cash Disbursements:	
Personal Services	6,321
Fringe Benefits	881
Contractual Services	7,239
Supplies and Materials	114
Total Operating Cash Disbursements	14,555
Operating Income	9,027
Non-Operating Cash Receipts:	
Intergovernmental Receipts	8,221
Non-Operating Cash Disbursements:	
Debt Service	8,220
Other Non-Operating Cash Disbursements	4,228
Total Non-Operating Cash Disbursements	12,448
Net Receipts Over Disbursements	4,800
Fund Cash Balances, January 1	54,671
Fund Cash Balances, December 31	\$59,471
Reserve for Encumbrances, December 31	

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

**VILLAGE OF HOYTVILLE
WOOD 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, 1998**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$4,961			\$4,961
Special Assessments		\$6,474		6,474
Intergovernmental Receipts	17,110	7,941		25,051
Fines, Licenses, and Permits	229			229
Earnings on Investments	1,795	238	\$267	2,300
Miscellaneous	8,218		10	8,228
	<u>32,313</u>	<u>14,653</u>	<u>277</u>	<u>47,243</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	3,382			3,382
Leisure Time Activities	5,742			5,742
Community Environment	1,974	90		2,064
Transportation		201		201
General Government	18,377		110	18,487
Capital Outlay		18,124		18,124
	<u>29,475</u>	<u>18,415</u>	<u>110</u>	<u>48,000</u>
Total Receipts Over/(Under) Disbursements	2,838	(3,762)	167	(757)
Fund Cash Balances, January 1	<u>6,059</u>	<u>14,453</u>	<u>22,186</u>	<u>42,698</u>
Fund Cash Balances, December 31	<u>\$8,897</u>	<u>\$10,691</u>	<u>\$22,353</u>	<u>\$41,941</u>
Reserves for Encumbrances, December 31	<u>\$2,000</u>			<u>\$2,000</u>

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

**VILLAGE OF HOYTVILLE
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$22,171
Operating Cash Disbursements:	
Personal Services	6,613
Fringe Benefits	904
Contractual Services	20,045
Supplies and Materials	554
Total Operating Cash Disbursements	28,116
Operating Loss	(5,945)
Non-Operating Cash Receipts:	
Intergovernmental Receipts	5,160
Non-Operating Cash Disbursements:	
Debt Service	9,570
Net Disbursements Over Receipts	(10,355)
Fund Cash Balances, January 1	65,026
Fund Cash Balances, December 31	\$54,671
Reserve for Encumbrances, December 31	

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

**VILLAGE OF HOYTVILLE
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Hoytville, Wood 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 sewer utilities and park operations (leisure time activities).

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.

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 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 HOYTVILLE
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(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 Tax Fund - This fund receives motor vehicle license tax money to pay for constructing, maintaining and repairing Village streets.

Street Light Special Assessment Fund - This fund is used to account for the financing of street lighting services for Village residents against which special assessments are levied.

3. Enterprise Funds

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

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

4. Fiduciary Funds (Trust 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. The Village had the following significant fiduciary fund:

Gas Trust Fund - This fund is used to account for interest received from gas company settlement monies.

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 or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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.

**VILLAGE OF HOYTVILLE
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 1999 and 1998 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 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>1999</u>	<u>1998</u>
Demand deposits	\$100,371	\$81,874
Certificates of deposit	14,738	14,738
Total deposits and investments	\$115,109	\$96,612

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$79,840	\$74,268	(\$5,572)
Special Revenue	14,800	15,348	548
Expendable Trust	1,100	248	(852)
Enterprise	27,000	31,803	4,803
Total	\$122,740	\$121,667	(\$1,073)

**VILLAGE OF HOYTVILLE
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$86,737	\$74,496	\$12,241
Special Revenue	25,491	16,437	9,054
Expendable Trust	23,453	0	23,453
Enterprise	81,671	27,003	54,668
Total	<u>\$217,352</u>	<u>\$117,936</u>	<u>\$99,416</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$30,348	\$32,313	\$1,965
Special Revenue	60,200	14,653	(45,547)
Expendable Trust	130	277	147
Enterprise	27,000	27,331	331
Total	<u>\$117,678</u>	<u>\$74,574</u>	<u>(\$43,104)</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$36,409	\$31,475	\$4,934
Special Revenue	74,652	18,415	56,237
Expendable Trust	22,315	110	22,205
Enterprise	92,026	37,686	54,340
Total	<u>\$225,402</u>	<u>\$87,686</u>	<u>\$137,716</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial 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.

**VILLAGE OF HOYTVILLE
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

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, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Sewer System Loan	\$126,600	5%

The debt is for installation of a sewer system.

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

<u>Year ending December 31:</u>	<u>Sewer System Loan</u>
2000	\$8,230
2001	8,235
2002	8,235
2003	8,230
2004	8,220
Subsequent	205,295
Total	\$246,445

6. RETIREMENT SYSTEM

The Village's officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

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

Village of Hoytville
Wood County
2418 South Main Street
P.O. Box 135
Hoytville, Ohio 43529-0135

To the Village Council:

We have audited the accompanying financial statements of the Village of Hoytville, Wood County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated September 29, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated September 29, 2000.

Village of Hoytville
Wood 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 audit committee, management, and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

September 29, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF HOYTVILLE

WOOD 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
NOVEMBER 14, 2000