



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF OAKWOOD
PAULDING COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Oakwood
Paulding County
228 North First Street
P.O. Box 457
Oakwood, Ohio 45873-0457

To the Village Council:

We have audited the accompanying financial statements of the Village of Oakwood, Paulding County, Ohio, (the Village) as of and for the year ended December 31, 2000. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 2000, 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 August 22, 2001 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

August 22, 2001

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$122,852	\$48,787			\$171,639
Special Assessments	5,628	9,704			15,332
Intergovernmental Receipts	29,361	36,126	\$165,372		230,859
Charges for Services		67,482			67,482
Fines, Licenses, and Permits	10,433	1,160			11,593
Miscellaneous	19,021	21,825	39	\$7,480	48,365
Total Cash Receipts	<u>187,295</u>	<u>185,084</u>	<u>165,411</u>	<u>7,480</u>	<u>545,270</u>
Cash Disbursements:					
Current:					
Security of Persons and Property		120,880			120,880
Leisure Time Activities		500			500
Transportation		18,884			18,884
General Government	73,666	4,118		7,480	85,264
Debt Service:					
Principal Payments			5,632		5,632
Interest Payments			3,740		3,740
Capital Outlay	12,217	23,105	218,946		254,268
Total Disbursements	<u>85,883</u>	<u>167,487</u>	<u>228,318</u>	<u>7,480</u>	<u>489,168</u>
Total Receipts Over/(Under) Disbursements	<u>101,412</u>	<u>17,597</u>	<u>(62,907)</u>		<u>56,102</u>
Other Financing Receipts/(Disbursements):					
Transfers-In		36,271	45,847		82,118
Advances-In	10,800				10,800
Transfers-Out	(82,118)				(82,118)
Advances-Out		(10,800)			(10,800)
Other Uses	(1,272)				(1,272)
Total Other Financing Receipts/(Disbursements)	<u>(72,590)</u>	<u>25,471</u>	<u>45,847</u>		<u>(1,272)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>28,822</u>	<u>43,068</u>	<u>(17,060)</u>		<u>54,830</u>
Fund Cash Balances, January 1	<u>123,142</u>	<u>170,369</u>	<u>45,180</u>		<u>338,691</u>
Fund Cash Balances, December 31	<u>\$151,964</u>	<u>\$213,437</u>	<u>\$28,120</u>		<u>\$393,521</u>

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

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

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

	<u>Proprietary 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	\$164,053		\$164,053
Miscellaneous	5,913		5,913
Total Operating Cash Receipts	169,966		169,966
Operating Cash Disbursements:			
Personal Services	67,063		67,063
Travel/Transportation	96		96
Contractual Services	25,587		25,587
Supplies and Materials	17,802		17,802
Capital Outlay	2,931		2,931
Total Operating Cash Disbursements	113,479		113,479
Operating Income	56,487		56,487
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		\$12,344	12,344
Non-Operating Cash Disbursements:			
Debt Service	59,988		59,988
Other Non-Operating Cash Disbursements		14,059	14,059
Total Non-Operating Cash Disbursements	59,988	14,059	74,047
Net Disbursements Over Receipts	(3,501)	(1,715)	(5,216)
Fund Cash Balances, January 1	203,548	2,100	205,648
Fund Cash Balances, December 31	\$200,047	\$385	\$200,432

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

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Oakwood, Paulding County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), police and EMS services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit, are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund (Continued)

Police Levy Fund - This fund receives revenue from property taxes to provide police protection to residents of the Village. The Police Levy is not self-supporting and is supplemented by the General Fund.

Fire Levy Fund - This fund receives revenue from property taxes to provide fire protection to residents of the Village. Additional revenues are derived from fire contracts with surrounding Township and Villages to provide fire protection services to their residents.

EMS Levy Fund - This fund receives revenue from property taxes to provide EMS Services to residents of the Village. Additional revenues are derived from EMS contracts with surrounding Township and Villages to provide EMS services to their residents and charges for services for EMS runs.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Capital Improvement Fund - This fund receives 40% of the Villages income tax for the purpose of acquisition or construction of major capital projects.

Infrastructure Fund - This fund received funds from the OPWC and OWDA for infrastructure improvements in the Village.

4. Enterprise Funds

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

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

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

Sewer Bond Retirement Fund - Receives charges for services from residents to retire a Rural Economic and Community Development Services (RECDS) loan.

VILLAGE OF OAKWOOD
PAULDING COUNTY

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

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

D. Fund Accounting (Continued)

5. Fiduciary Funds (Agency Fund)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund:

Fire Damage Insurance Trust Fund - This fund is used to hold a portion of the insurance money received by Village residence due to claims for fire damage. The Village holds a portion of the insurance proceeds until the property is cleaned up. This fund is classified as an expendable trust fund.

Mayor's Court Fund - Receives fine money generated by the Village Mayor's Court. The money is distributed to the Village General fund, the State Treasurer, or other appropriate agencies. This fund is classified as an agency fund.

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

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2000 budgetary activity appears in Note 3.

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2000
Cash on hand	\$58
Demand deposits	319,395
Certificates of deposit	274,500
Total deposits and investments	\$593,953

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Village.

3. BUDGETARY ACTIVITY

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

Fund Type	2000 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$186,284	\$187,295	\$1,011
Special Revenue	206,462	221,355	14,893
Capital Projects	263,966	211,258	(52,708)
Expendable Trust		7,480	7,480
Enterprise	179,761	169,966	(9,795)
Total	\$836,473	\$797,354	(\$39,119)

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$196,344	\$169,273	\$27,071
Special Revenue	236,490	167,487	69,003
Capital Projects	290,861	228,318	62,543
Expendable Trust	7,480	7,480	
Enterprise	193,815	173,467	20,348
Total	\$924,990	\$746,025	\$178,965

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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$63,209	5.77%
Ohio Public Works Commission Loan	150,207	0%
Rural Economic and Community Development Service Loan	1,157,594	4.875%
Total	\$1,371,010	

The Ohio Water Development Authority (OWDA) loan relates to a water plant filtration project that was mandated by the Ohio Environmental Protection Agency. The loans will be repaid in semiannual installments of \$2,775 including interest, over 20 years. The loan is collateralized by water and sewer receipts.

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

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

5. DEBT (Continued)

The Ohio Public Works Commission (OPWC) loan relates to a water plant filtration project that was mandated by the Ohio Environmental Protection Agency. The loan will be repaid in semiannual installments of \$3,851, over 20 years. The loan is collateralized by water and sewer receipts.

Proceeds from the Rural Economic and Community Development Services (RECDS) loan were used to retire Sanitary Sewer System First Mortgage Temporary Revenue Bonds which had been issued previously to pay a portion of the costs of constructing a sanitary sewage collection, treatment, and disposal system. The Village will make annual payments to RECDS through the year 2036.

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

<u>Year ending December 31:</u>	<u>OWDA Loan</u>	<u>OPWC Loan</u>	<u>RECDS Loan</u>
2001	\$2,775	\$7,703	\$60,502
2002	5,551	7,703	59,966
2003	5,551	7,703	60,430
2004	5,551	7,703	59,845
2005	5,551	7,703	60,260
Subsequent	80,484	111,692	1,872,022
Total	<u>\$105,463</u>	<u>\$150,207</u>	<u>\$2,173,025</u>

The Village entered into a lease purchase agreement with General Motors Acceptance Corporation (GMAC) on December 20, 1999 for the lease/purchase of a new dump truck. Payment schedule is three years (\$13,306.40 due annually) and at the end of the lease, the Village has the option to purchase the truck for \$1.00.

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Fund (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000, members of OP&F contributed 10% of their wages to the OP&F. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 10.84% of participants' gross salaries for 2000. The Village has paid all contributions required through December 31, 2000.

VILLAGE OF OAKWOOD
PAULDING COUNTY

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

7. RISK MANAGEMENT

Risk Pool Membership

The Government belongs to the Ohio Government Risk Management Plan (the Plan), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to § 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 uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

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

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

Village of Oakwood
Paulding County
228 North First Street
P.O. Box 457
Oakwood, Ohio 45873-0457

To the Village Council:

We have audited the accompanying financial statements of the Village of Oakwood (the Village) as of and for the year ended December 31, 2000, and have issued our report thereon dated August 22, 2001. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated August 22, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated August 22, 2001.

Village of Oakwood
Paulding County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

August 22, 2001

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-30263-001	ORC § 5705.41(D) failure to certify expenditures.	No	Improvement has been made reducing this to a management letter comment.



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF OAKWOOD

PAULDING 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 6, 2001**