

VILLAGE OF VENEDOCIA
VAN WERT COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007



Mary Taylor, CPA

Auditor of State

Village Council
Village of Venedocia
P.O. Box 611
Venedocia, Ohio 45894

We have reviewed the *Independent Auditor's Report* of the Village of Venedocia, Van Wert County, prepared by E.S. Evans and Company, for the audit period January 1, 2007 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Venedocia is responsible for compliance with these laws and regulations.

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Mary Taylor, CPA
Auditor of State

July 6, 2009

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VILLAGE OF VENEDOCIA
VAN WERT COUNTY, OHIO

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June 19, 2009

INDEPENDENT AUDITOR'S REPORT

Village of Venedocia
Van Wert County, Ohio

We have audited the accompanying financial statements of the Village of Venedocia, Van Wert County, (the Village) as of and for the years ended December 31, 2008 and 2007. 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 described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2008 and 2007, or their changes in financial position for the year then ended.

Also, 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, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with Government Auditing Standards, we have also issued our report dated June 19, 2009 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with Government Auditing Standards. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in red ink, appearing to read "E. J. ... and ...".

VILLAGE OF VENEDOCIA
VAN WERT COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL
FUND TYPES

For the Year Ended December 31, 2008

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
<u>Cash Receipts:</u>			
Property Tax and Other Local Taxes	\$ 2,122	\$ 2,053	\$ 4,175
Intergovernmental Revenues	18,286	6,382	24,668
Interest Revenues	443	33	476
Miscellaneous	609	-	609
Total Cash Receipts	21,460	8,468	29,928
<u>Cash Disbursements:</u>			
Current -			
General Government	14,624	-	14,624
Security of Persons and Property	3,129	1,918	5,047
Transportation	726	12,876	13,602
Health	908	-	908
Leisure Time Activities	5,198	-	5,198
Community Environment	4	-	4
Basic Utility Services	750	-	750
Total Cash Disbursements	25,339	14,794	40,133
Total Cash Receipts Over/(Under)			
Cash Disbursements	(3,879)	(6,326)	(10,205)
<u>Fund Cash Balance - January 1, 2008</u>	28,469	61,270	89,739
<u>Fund Cash Balance - December 31, 2008</u>	\$ 24,590	\$ 54,944	\$ 79,534

The accompanying notes are an integral part
of these financial statements.

VILLAGE OF VENEDOCIA
VAN WERT COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL
FUND TYPES

For the Year Ended December 31, 2007

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
<u>Cash Receipts:</u>			
Property Tax and Other Local Taxes	\$ 1,949	\$ 2,360	\$ 4,309
Intergovernmental Revenues	18,070	7,007	25,077
Interest Revenues	855	36	891
Miscellaneous	724	-	724
Total Cash Receipts	21,598	9,403	31,001
<u>Cash Disbursements:</u>			
Current -			
General Government	17,862	-	17,862
Security of Persons and Property	2,611	1,917	4,528
Transportation	313	3,452	3,765
Health	893	-	893
Leisure Time Activities	4,857	-	4,857
Community Environment	-	-	-
Basic Utility Services	-	-	-
Total Cash Disbursements	26,536	5,369	31,905
Total Cash Receipts Over/(Under)			
Cash Disbursements	(4,938)	4,034	(904)
<u>Fund Cash Balance - January 1, 2007</u>	33,407	57,236	90,643
<u>Fund Cash Balance - December 31, 2007</u>	\$ 28,469	\$ 61,270	\$ 89,739

The accompanying notes are an integral part
of these financial statements.

VILLAGE OF VENEDOCIA
VAN WERT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

Note 1 - Summary of Significant Accounting Policies

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Venedocia, Van Wert County, (the Village), as a political and corporate body. A publicly-elected six-member Council governs the Village. The Village provides general government services including park operations. The Village contracts with the Village of Middle Point to provide for fire protection services.

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

Basis of Accounting

These financial statements follow the accounting basis prescribed or permitted by the Auditor of State. This basis is similar to the cash receipts and disbursements basis of accounting. Consequently, receipts are recognized when received 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.

Cash and Investments

The Village maintains a checking account and a certificate of deposit which are valued at cost.

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:

General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

VILLAGE OF VENEDOCIA
VAN WERT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 1 - Summary of Significant Accounting Policies - (continued)

Fund Accounting - (continued)

Special Revenue Funds

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

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

Fire Fund – This fund receives property tax money to provide fire protection services.

Budgetary Process

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

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.

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. Village 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.

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 2008 and 2007 budgetary activity appears in Note 3.

VILLAGE OF VENEDOCIA
VAN WERT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 1 - Summary of Significant Accounting Policies - (continued)

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.

Accumulated Leave

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

Note 2 – Equity in Pooled Cash

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

	<u>2008</u>		<u>2007</u>
Demand Deposits	\$ 62,561	\$	73,169
Certificates of Deposit	16,973		16,570
Total Deposits	<u>\$ 79,534</u>	<u>\$</u>	<u>89,739</u>

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

VILLAGE OF VENEDOCIA
VAN WERT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 48,906	\$ 21,460	\$ (27,446)
Special Revenue	70,439	8,468	(61,971)
	<u>\$ 119,345</u>	<u>\$ 29,928</u>	<u>\$ (89,417)</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 48,500	\$ 25,339	\$ 23,161
Special Revenue	37,365	14,794	22,571
	<u>\$ 85,865</u>	<u>\$ 40,133</u>	<u>\$ 45,732</u>

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 53,773	\$ 21,598	\$ (32,175)
Special Revenue	66,346	9,403	(56,943)
	<u>\$ 120,119</u>	<u>\$ 31,001</u>	<u>\$ (89,118)</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 53,750	\$ 26,536	\$ 27,214
Special Revenue	35,200	5,369	29,831
	<u>\$ 88,950</u>	<u>\$ 31,905</u>	<u>\$ 57,045</u>

VILLAGE OF VENEDOCIA
VAN WERT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 4 - Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopts 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 State pays the Village amounts equaling these deductions. The Village includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment is due December 31. The second half payment is due the following June 20.

Property owners assess tangible personal property tax. They must file a list of tangible 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 the Village's behalf.

Note 5 – Retirement Systems

Ohio Public Employees Retirement System (OPERS)

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes the plan's retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007, OPERS members contributed 9.5 percent of their gross salary. The Village contributed an amount equal to 13.85 percent of participants' gross salaries. For 2008, OPERS members contributed 10.0 percent of their gross salary. The Village contributed an amount equaling 14.0 percent of participants' gross salaries. The Village has paid all required contributions through December 31, 2008.

Note 6 - Risk Management

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village has obtained commercial insurance for the following risks:

- Comprehensive property, general liability, and inland marine.

Note 7 – Contingencies

In May of 2009, the Village completed and paid for a paving project with Village funds totaling \$14,847.

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Steven D. Hooker, CPA • John E. Klay, CPA

June 19, 2009

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

Village of Venedocia
Van Wert County, Ohio

We have audited the financial statements of the Village of Venedocia, Van Wert County, Ohio, (the Village) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 19, 2009, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Venedocia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Venedocia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Venedocia's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village of Venedocia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Village of Venedocia's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village of Venedocia's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

However, we noted certain internal control matters that we reported to the Village of Venedocia's management in separate letter dated June 19, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Village of Venedocia'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 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

In a separate letter to the Village of Venedocia's management dated June 19, 2009, we reported matters related to noncompliance.

We intend this report solely for the information and use of management of the Village of Venedocia and the Auditor of State of Ohio. It is not intended for anyone other than these specified parties.

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VILLAGE OF VENEDOCIA
VAN WERT COUNTY, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2008 and 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2006-001	ORC Sec. 5705.41 (D) - Certification of fiscal officer	YES	Comment Fully Corrected



Mary Taylor, CPA
Auditor of State

VILLAGE OF VENEDOCIA

VAN WERT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 16, 2009