

VILLAGE OF WILLIAMSPORT
PICKAWAY COUNTY, OHIO

Audited Financial Statements

For the Years Ended December 31, 2008 and 2007



Mary Taylor, CPA

Auditor of State

Village Council
Village of Williamsport
P. O. Box 163
Williamsport, Ohio 43164

We have reviewed the *Independent Accountant's Report* of the Village of Williamsport, Pickaway County, prepared by Van Krevel 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 Accountant'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 Accountant'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 Williamsport is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 25, 2010

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Village of Williamsport
Pickaway County, Ohio

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INDEPENDENT ACCOUNTANT'S REPORT

Village of Williamsport
Pickaway County
P O Box 163
Williamsport, Ohio 43164-0163

To the Village Council:

We have audited the accompanying financial statements of the Village of Williamsport, Pickaway County, Ohio, (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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' Government Auditing Standards. Those standards require that we plan and perform the audits to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide 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 requires presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards 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.

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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 its changes in financial position or cash flows of its proprietary funds for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Williamsport, Pickaway County, Ohio 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 November 16, 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 audits.



Van Krevel & Company
Dublin, Ohio

November 16, 2009

Village of Williamsport
 Pickaway 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

	<u>Governmental Fund Types</u>		Totals
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 33,428	\$ 28,597	\$ 62,025
Intergovernmental Receipts	43,077	61,871	104,948
Charges for Services		47,107	47,107
Fines, Licenses and Permits	825		825
Earnings on Investments	5,414	1,240	6,654
Miscellaneous	6,492	250	6,742
Total Cash Receipts	<u>89,236</u>	<u>139,065</u>	<u>228,301</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	39,145	45,349	84,494
Public Health Services	2,534		2,534
Leisure Time Activities	5,996		5,996
Community Environment	360		360
Transportation		11,645	11,645
General Government	43,701		43,701
Capital Outlay	2,819	198,579	201,398
Debt Service:			
Redemption of Principal		3,407	3,407
Interest and Other Fiscal Charges			-
Total Cash Disbursements	<u>94,555</u>	<u>258,980</u>	<u>353,535</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(5,319)</u>	<u>(119,915)</u>	<u>(125,234)</u>
Fund Cash Balances, January 1	<u>170,279</u>	<u>440,006</u>	<u>610,285</u>
Fund Cash Balances, December 31	<u>\$ 164,960</u>	<u>\$ 320,091</u>	<u>\$ 485,051</u>
Reserve For Encumbrances	<u>\$ 398</u>	<u>\$ 1,373</u>	<u>\$ 1,771</u>

Village of Williamsport
Pickaway County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2008

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 762,221	\$ -	\$ 762,221
Miscellaneous	-	-	-
Total Operating Cash Receipts	<u>762,221</u>	<u>-</u>	<u>762,221</u>
Operating Cash Disbursements:			
Personal Services	83,900	-	83,900
Employee Fringe Benefits	32,884	-	32,884
Contractual Services	344,496	-	344,496
Supplies and Materials	35,502	-	35,502
Other	11,133	-	11,133
Total Operating Cash Disbursements	<u>507,915</u>	<u>-</u>	<u>507,915</u>
Operating income/(Loss)	<u>254,306</u>	<u>-</u>	<u>254,306</u>
Non-Operating Receipts/Disbursements:			
Miscellaneous Receipts	103	-	103
Capital Outlay	(15,356)	-	(15,356)
Redemption of Principal	(66,173)	-	(66,173)
Interest and Other Fiscal Charges	(78,793)	-	(78,793)
Total Non-Operating Receipts/Disbursements	<u>(160,219)</u>	<u>-</u>	<u>(160,219)</u>
Income/(Loss)			
Before Interfund Transfers	94,087 #	-	94,087 #
Transfers-In	131,390	-	131,390
Transfers-Out	(131,390)	-	(131,390)
Fund Cash Balances, January 1	434,819	-	434,819
Fund Cash Balances, December 31	<u>\$ 528,906</u>	<u>\$ -</u>	<u>\$ 528,906</u>
Reserve for Encumbrances, December 31	<u>\$ 1,598</u>	<u>\$ -</u>	<u>\$ 1,598</u>

Village of Williamsport
Pickaway 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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 34,080	\$ 30,486	\$ -	\$ 64,566
Intergovernmental Receipts	43,171	49,927	146,205	239,303
Charges for Services		47,198		47,198
Fines, Licenses and Permits	979			979
Earnings on Investments	5,149	6,792		11,941
Miscellaneous	7,362	40,891		48,253
Total Cash Receipts	<u>90,741</u>	<u>175,294</u>	<u>146,205</u>	<u>412,240</u>
Cash Disbursements:				
Current:				
General Government	38,499	42,933		81,432
Public Health Services	2,445			2,445
Leisure Time Activities	13,217			13,217
Community Environment	360			360
Transportation		14,306		14,306
General Government	49,151			49,151
Capital Outlay		25,975	180,280	206,255
Debt Service:				
Redemption of Principal	-			-
Interest and Other Fiscal Charges	-			-
Total Cash Disbursements	<u>103,672</u>	<u>83,214</u>	<u>180,280</u>	<u>367,166</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(12,931)</u>	<u>92,080</u>	<u>(34,075)</u>	<u>45,074</u>
Other Financing Receipts/(Disbursements):				
Debt Proceeds			34,075	34,075
Sale of Fixed Assets		255		255
Total Other Financing Receipts/(Disbursements)	<u>-</u>	<u>255</u>	<u>34,075</u>	<u>34,330</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	(12,931)	92,335	-	79,404
Fund Cash Balances, January 1	<u>183,210</u>	<u>347,671</u>	<u>-</u>	<u>530,881</u>
Fund Cash Balances, December 31	<u>\$ 170,279</u>	<u>\$ 440,006</u>	<u>\$ -</u>	<u>\$ 610,285</u>
Reserve for Encumbrances	<u>\$ 398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 398</u>

Village of Williamsport
Pickaway County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2007

	<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	\$ 739,357	\$ -	\$ 739,357
Miscellaneous	-	-	-
Total Operating Cash Receipts	<u>739,357</u>	<u>-</u>	<u>739,357</u>
Operating Cash Disbursements:			
Personal Services	91,847	-	91,847
Employee Fringe Benefits	46,999	-	46,999
Contractual Services	397,960	-	397,960
Supplies and Materials	35,508	-	35,508
Other	9,130	-	9,130
	-	-	-
Total Operating Cash Disbursements	<u>581,444</u>	<u>-</u>	<u>581,444</u>
Operating income/(Loss)	<u>157,913</u>	<u>-</u>	<u>157,913</u>
Non-Operating Receipts/Disbursements:			
Miscellaneous Receipts	6,234	-	6,234
Capital Outlay	(25,421)	-	(25,421)
Redemption of Principal	(63,589)	-	(63,589)
Interest and Other Fiscal Charges	(82,126)	-	(82,126)
Total Non-Operating Receipts/Disbursements	<u>(164,902)</u>	<u>-</u>	<u>(164,902)</u>
Income/(Loss)			
Before Interfund Transfers	(6,989)	-	(6,989)
Transfers-In	138,037	-	138,037
Transfers-Out	(138,037)	-	(138,037)
Fund Cash Balances, January 1	<u>441,808</u>	<u>-</u>	<u>441,808</u>
Fund Cash Balances, December 31	<u>\$ 434,819</u>	<u>\$ -</u>	<u>\$ 434,819</u>
Reserve for Encumbrances, December 31	<u>\$ 8,735</u>	<u>\$ -</u>	<u>\$ 8,735</u>

Village of Williamsport
Pickaway County, Ohio

Notes to the Financial Statements
December 31, 2008 and 2007

NOTE 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 Village of Williamsport, Pickaway County, Ohio, (the Village) as a body corporate and politic. A publicly-elected six member Council governs the Village. The Village provides general governmental services, water, sewer and gas utilities, park operations, emergency medical ambulance and fire protection services. The Village contracts with the Pickaway County Sheriff's department to provide security of persons and property. The Village provides emergency medical ambulance services to the citizens of the Village of Williamsport and fire protection services to Jackson, Monroe, Muhlenberg and Wayne Townships, all located within Pickaway County.

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 accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village 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 Auditor of State prescribes or permits.

C Cash

The Village values certificates of deposit at cost.

Village of Williamsport
Pickaway County, Ohio

Notes to the Financial Statements
December 31, 2008 and 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D Fund Accounting

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

1 General Fund

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

2 Special Revenue Funds

These funds account for proceeds from specific sources (other than private purpose trusts or 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 monies to pay for constructing, maintaining and repairing Village streets.

Fire Fund – This fund receives the Village’s fire levy tax monies that are used for fire protection services.

Joint Fire Fund – This fund receives monies from fire contracts for the operation and maintenance of the joint fire department.

Joint Fire Donation Fund – This fund receives donated monies for the future purpose of buying land for the Joint Fire Department.

3 Capital Projects Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds.

OPWC Main Street Improvement Phase III Grant – This fund records Ohio Public Works Commission (OPWC) grant receipts and loan proceeds and disbursements expended on behalf of the Village for Main Street improvements – Phase III Project.

Village of Williamsport
Pickaway County, Ohio

Notes to the Financial Statements
December 31, 2008 and 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D Fund Accounting (continued)

4 Enterprise Funds

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

Gas Operating Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

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

Sewer Operating Fund – This fund receives charges from residents to cover the cost of providing this utility.

Water Debt Fund – This fund receives charges for services from residents to cover the debt payments associated with this utility.

5 Fiduciary Fund (Agency Fund)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following Fiduciary Fund:

Fire Destruction Deposit Fund (Agency) – This fund houses the insurance proceeds provided to the Village as deposit for repairing fire damaged properties as required by Village ordinance. No activity was reported in 2008 or 2007.

Village of Williamsport
Pickaway County, Ohio

Notes to Financial Statements
December 31, 2008 and 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2 Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3 Encumbrances

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

A summary of the 2008 and 2007 budgetary activity appears in Note 3.

F 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.

F 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.

Village of Williamsport
Pickaway County, Ohio

Notes to Financial Statements
December 31, 2008 and 2007

NOTE 2 EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2008</u>	<u>2007</u>
Demand Deposits	\$ 993,957	\$1,025,106
Certificates of Deposit	<u>20,000</u>	<u>20,000</u>
Total Deposits	<u>\$1,013,957</u>	<u>\$1,045,106</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

NOTE 3 BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2008, follows:

<u>2008 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 85,948	\$ 89,236	\$ 3,288
Special Revenue	129,923	139,065	9,142
Enterprise	<u>1,023,036</u>	<u>893,714</u>	<u>(129,322)</u>
Totals	<u>\$ 1,238,907</u>	<u>\$ 1,122,015</u>	<u>\$ (116,892)</u>

Village of Williamsport
Pickaway County, Ohio

Notes to Financial Statements
December 31, 2008 and 2007

NOTE 3 BUDGETARY ACTIVITY (continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 140,835	\$ 94,953	\$ 45,882
Special Revenue	337,264	260,353	76,911
Enterprise	1,223,169	801,225	421,944
Totals	<u>\$ 1,701,268</u>	<u>\$ 1,156,531</u>	<u>\$ 544,737</u>

Budgetary activity for the year ending December 31, 2007, follows:

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 85,948	\$ 90,741	\$ 4,793
Special Revenue	157,613	175,549	17,936
Capital Projects	180,280	180,280	-
Enterprise	851,046	883,628	32,582
Totals	<u>\$ 1,274,887</u>	<u>\$ 1,330,198</u>	<u>\$ 55,311</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 148,716	\$ 104,070	\$ 44,646
Special Revenue	205,461	83,214	122,247
Capital Projects	180,280	180,280	-
Enterprise	1,045,502	899,352	146,150
Totals	<u>\$ 1,579,959</u>	<u>\$ 1,266,916</u>	<u>\$ 313,043</u>

Village of Williamsport
Pickaway County, Ohio

Notes to Financial Statements
December 31, 2008 and 2007

NOTE 4 PROPERTY TAXES

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village 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.

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

Public utilities are also taxed on personal and real property located within the Village.

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

NOTE 5 RETIREMENT SYSTEM

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

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

Village of Williamsport
Pickaway County, Ohio

Notes to Financial Statements
December 31, 2008 and 2007

NOTE 6 RISK MANAGEMENT

The Village has obtained insurance for the following risks:

Comprehensive Property and General Liability
Vehicles
Errors and Omissions

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

NOTE 7 DEBT

Debt outstanding at December 31, 2008, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
USDA Sewer Loan	\$ 204,000	5.00%
OPWC Water Loan	35,700	0.00%
OWDA Water Loan	989,342	6.11%
OWDA Sewer Loan	82,211	5.66%
OPWC Sewer Loan	30,940	0.00%
OPWC Street Improvements	<u>30,667</u>	0.00%
	<u>\$1,372,860</u>	

The United States Department of Agriculture (USDA) sewer loan relates to the construction of the waste water treatment plant. The loan is payable in annual installments until 2018. The debt is being repaid from user charges billed to consumers.

The Ohio Public Works Commission (OPWC) water loan provided assistance for the water plant expansion plan. The loan is payable in semi-annual installments of \$2,100 until 2017. The debt is being repaid from user charges billed to consumers.

Village of Williamsport
Pickaway County, Ohio

Notes to Financial Statements
December 31, 2008 and 2007

NOTE 7 DEBT (continued)

The Ohio Water Development Authority (OWDA) water loan and sewer loan provided funds for a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The loans are being repaid in semi-annual installments of \$52,416 and \$4,054, including interest, through 2023 and 2024, respectively. The debt is being repaid from user charges billed to consumers.

The OPWC sewer loan provided funds for the construction of new sand beds for the Village's sewer system. The loan is being repaid in semi-annual installments of \$938 until 2025. The debt is being repaid from user charges billed to consumers.

The OPWC Street Improvements loan was used to upgrade and improve Main Street. The loan is payable in semi-annual installments of \$1,704 until 2018. The loan is supported by the full faith and credit of the Village and is payable from governmental receipts.

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

<u>Year Ending December 31</u>	<u>Amount</u>
2009	\$ 148,622
2010	148,822
2011	148,972
2012	149,073
2013	149,123
2014-2018	733,910
2019-2023	521,662
Thereafter	<u>6,867</u>
	<u>\$2,007,051</u>

**INDEPENDENT ACCOUNTANT’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Village of Williamsport
Pickaway County
P O Box 163
Williamsport, Ohio 43164-0163

To the Village Council:

We have audited the financial statements of the Village of Williamsport, Pickaway County, Ohio, (the Village), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated November 16, 2009, wherein we noted that the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States’ *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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’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 the Village’s internal control will not prevent or detect a more-than-inconsequential financial statement misstatement. We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2008-001.

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Village of Williamsport
Pickaway County
Independent Accountant's Report on Internal Control over
Financial Reporting and on Compliance with Other Matters
Required by *Government Auditing Standards*

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

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

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain non-compliance or other matters that we reported to the Village's management in a separate letter dated November 16, 2009.

We intend this report solely for the information and use of the audit committee, management, and the Village Council. We intend it for no one other than these specified parties.

Van Krevel & Company

Van Krevel & Company
Dublin, Ohio

November 16, 2009

Village of Williamsport
Pickaway County, Ohio

Schedule of Audit Findings
December 31, 2008 and 2007

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

Finding No. 2008-001

Significant Deficiency

Utility System Standing Data

The Village's "standing" data file for the Utility Department contains each customer's name, address, account number, telephone number, service provided and billings rates. The billing rate is applied to the usage number to calculate the billing amount for the utility services used. Access to this file has been limited to a specific user; however, that individual is involved in performing the daily operation activities (billings and payment postings) of the Utility Department. This employee has access to the standing data file and could modify any information contained therein without any management oversight.

This weakness could permit the manipulation of standing data, resulting in errors and irregularities. A management individual should be appointed to monitor activity and ensure modifications are properly authorized before files are changed.

Officials' Response: We did not receive a response from Officials to this Finding.

Village of Williamsport
Pickaway County, Ohio

Schedule of Prior Audit Findings
December 31, 2008 and 2007

<u>Finding No.</u>	<u>Finding Summary</u>	<u>Fully Corrected</u>	<u>Action Taken</u>
2006-001	Failure to limit access to standing data for the Utility Department billing system	Partially corrected	Reissued as Finding 2008-001



Mary Taylor, CPA
Auditor of State

VILLAGE OF WILLIAMSPORT
PICKAWAY 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
FEBRUARY 4, 2010