



**VILLAGE OF OAK HILL  
JACKSON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**VILLAGE OF OAK HILL  
TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Funds Types and Similar Fiduciary Fund - For the Year Ended December 31, 1999 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Proprietary Fund Type and Similar Fiduciary Funds - For the Year Ended December 31, 1999 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Funds Types- For the Year Ended December 31, 1998 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Proprietary Fund Type and Similar Fiduciary Funds - For the Year Ended December 31, 1998 .....	6
Notes to the Financial Statements .....	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	13
Schedule of Findings .....	15
Corrective Action Plan .....	16

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Oak Hill  
Jackson County  
415 N. Front Street  
Oak Hill, Ohio 45656

To the Village Council:

We have audited the accompanying financial statements of the Village of Oak Hill, Jackson 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 audit.

We conducted our audit 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 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 of Oak Hill, Jackson County, 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 April 28, 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, the Village Council and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specific parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

April 28, 2000



**VILLAGE OF OAK HILL  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
 AND CHANGES IN FUND CASH BALANCES, ALL GOVERNMENTAL FUND TYPES  
 AND SIMILAR FIDUCIARY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types			Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>					
Local Taxes	\$90,818	\$106,501	\$	\$	\$197,319
Intergovernmental Receipts	106,887	68,945			175,832
Charges for Services		17,544			17,544
Fines, Licenses and Permits	28,111				28,111
Interest on Investment	16,363	2,621		337	19,321
Miscellaneous	24,448	44,172			68,620
<b>Total Cash Receipts</b>	<u>266,627</u>	<u>239,783</u>	<u>0</u>	<u>337</u>	<u>506,747</u>
<b>Cash Disbursements:</b>					
Security of Persons and Property	130,218	83,474			213,692
Public Health Services		50,433			50,433
Basic Utility Services	25,492				25,492
Transportation		76,869			76,869
General Government	44,578	1,265			45,843
Capital Outlay	90,869	86,062	175,958		352,889
Debt Service:					
Bond Principal Payments	7,029	3,588			10,617
Interest and Fiscal Charges.	658	892			1,550
<b>Total Cash Disbursements</b>	<u>298,844</u>	<u>302,583</u>	<u>175,958</u>	<u>0</u>	<u>777,385</u>
Total of Cash Receipts Over/(Under) Cash Disbursements	(32,217)	(62,800)	(175,958)	337	(270,638)
<b>Other Financing Sources/(Uses)</b>					
Sale of Notes	20,000				20,000
Transfers In		800	57,705	3,622	62,127
Transfers Out	(22,097)	(19,000)			(41,097)
Other Financing Sources			312,263		312,263
Other Financing Uses		(9,516)	(261,353)		(270,869)
<b>Total Other Financing Sources/(Uses)</b>	<u>(2,097)</u>	<u>(27,716)</u>	<u>108,615</u>	<u>3,622</u>	<u>82,424</u>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing (Uses)	(34,314)	(90,516)	(67,343)	3,959	(188,214)
Fund Cash Balances, January 1	188,693	219,181	67,343	67,991	543,208
<b>Fund Cash Balances, December 31</b>	<u><b>\$154,379</b></u>	<u><b>\$128,665</b></u>	<u><b>\$0</b></u>	<u><b>\$71,950</b></u>	<u><b>\$354,994</b></u>

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

**VILLAGE OF OAK HILL**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND**  
**CASH BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUNDS -**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Proprietary Fund Type	Fiduciary Fund Types		Total (Memorandum Only)
	Enterprise	Nonexpndable Trust	Agency	
<b>Operating Cash Receipts:</b>				
Charges for Services	\$704,713	\$	\$	\$704,713
Interest on Investments	7,303			7,303
Miscellaneous	8,048			8,048
<b>Total Operating Cash Receipts</b>	<b>720,064</b>	<b>0</b>	<b>0</b>	<b>720,064</b>
<b>Operating Cash Disbursements:</b>				
Personal Services	134,720			134,720
Employee Fringe Benefits	57,570			57,570
Contractual Services	126,263			126,263
Supplies and Materials	40,934			40,934
Capital Outlay	20,117			20,117
Miscellaneous	35,771		43,183	78,954
<b>Total Operating Cash Disbursements</b>	<b>415,375</b>	<b>0</b>	<b>43,183</b>	<b>458,558</b>
Operating Income/(Loss)	304,689	0	(43,183)	261,506
<b>Non-Operating Cash Receipts:</b>				
Fines, Licesnse and Permits			41,836	41,836
<b>Total Non-Operating Cash Receipts</b>	<b>0</b>	<b>0</b>	<b>41,836</b>	<b>41,836</b>
<b>Non-Operating Cash Disbursements:</b>				
Debt Service - Principal	(71,959)			(71,959)
Debt Service - Interest	(42,620)			(42,620)
Other Non-Operating Expenses	(172,573)			(172,573)
<b>Total Non-Operating Cash Disbursements</b>	<b>(287,152)</b>	<b>0</b>	<b>0</b>	<b>(287,152)</b>
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers	17,537	0	(1,347)	16,190
Transfers In	36,088			36,088
Transfers Out	(57,118)			(57,118)
<b>Net Cash Receipts Over/(Under) Cash Disbursements</b>	<b>(3,493)</b>	<b>0</b>	<b>(1,347)</b>	<b>(4,840)</b>
Fund Cash Balances, Janaury 1	228,314	11,075	2,694	242,083
<b>Fund Cash Balances, December 31</b>	<b>\$224,821</b>	<b>\$11,075</b>	<b>\$1,347</b>	<b>237,243</b>

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



**VILLAGE OF OAK HILL  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
 AND CHANGES IN FUND CASH BALANCES, ALL GOVERNMENTAL FUND TYPES  
 AND SIMILAR FIDUCIARY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<b>Total (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$84,328	\$99,023	\$	\$	\$183,351
Intergovernmental Receipts	80,164	69,011			149,175
Charges for Services		18,504			18,504
Fines, Licenses and Permits	13,144				13,144
Interest on Investment	16,251	323		5,343	21,917
Miscellaneous	29,147	120,617			149,764
<b>Total Cash Receipts</b>	<u>223,034</u>	<u>307,478</u>	<u>0</u>	<u>5,343</u>	<u>535,855</u>
<b>Cash Disbursements:</b>					
Security of Persons and Property	150,507	12,831			163,338
Public Health Services		47,056			47,056
Community Environment		33,000			33,000
Basic Utility Services	29,889	647			30,536
Transportation		60,438			60,438
General Government	36,869	3,594			40,463
Debt Service:					
Bond Principal Payments	7,920	3,395			11,315
Interest and Fiscal Charges.	369	1,084			1,453
<b>Total Cash Disbursements</b>	<u>225,554</u>	<u>162,045</u>	<u>0</u>	<u>0</u>	<u>387,599</u>
Total of Cash Receipts Over/(Under) Cash Disbursements	(2,520)	145,433	0	5,343	148,256
<b>Other Financing Sources/(Uses)</b>					
Transfers In	78,207		174,000	3,624	255,831
Transfers Out	(4,851)	(78,207)	(87,000)		(170,058)
Other Financing Sources		83,573	39,776		123,349
Other Financing Uses		(33,672)	(59,433)		(93,105)
<b>Total Other Financing Sources/(Uses)</b>	<u>73,356</u>	<u>(28,306)</u>	<u>67,343</u>	<u>3,624</u>	<u>116,017</u>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing (Uses)	70,836	117,127	67,343	8,967	264,273
Fund Cash Balances, January 1	117,857	102,054	0	59,024	278,935
<b>Fund Cash Balances, December 31</b>	<u><b>\$188,693</b></u>	<u><b>\$219,181</b></u>	<u><b>\$67,343</b></u>	<u><b>\$67,991</b></u>	<u><b>\$543,208</b></u>

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

**VILLAGE OF OAK HILL**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND**  
**CASH BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUNDS -**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Type	Fiduciary Fund Types		Total (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency	
<b>Operating Cash Receipts:</b>				
Charges for Services	\$698,594	\$	\$	\$698,594
Interest on Investments	1,012			1,012
Miscellaneous	82,514			82,514
<b>Total Operating Cash Receipts</b>	<b>782,120</b>	<b>0</b>	<b>0</b>	<b>782,120</b>
<b>Operating Cash Disbursements:</b>				
Personal Services	131,440			131,440
Employee Fringe Benefits	49,730			49,730
Contractual Services	127,552			127,552
Supplies and Materials	72,235			72,235
Capital Outlay	65,042			65,042
Miscellaneous	125,689		19,156	144,845
<b>Total Operating Cash Disbursements</b>	<b>571,688</b>	<b>0</b>	<b>19,156</b>	<b>590,844</b>
 Operating Income/(Loss)	 210,432	 0	 (19,156)	 191,276
<b>Non-Operating Cash Receipts:</b>				
Fines, Licesnse and Permits			20,660	20,660
<b>Total Non-Operating Cash Receipts</b>	<b>0</b>	<b>0</b>	<b>20,660</b>	<b>20,660</b>
<b>Non-Operating Cash Disbursements:</b>				
Debt Service - Principal	(65,846)			(65,846)
Debt Service - Interest	(43,335)			(43,335)
Other Non-Operating Expenses	(175,346)			(175,346)
<b>Total Non-Operating Cash Disbursements</b>	<b>(284,527)</b>	<b>0</b>	<b>0</b>	<b>(284,527)</b>
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers	(74,095)	0	1,504	(72,591)
Transfers In	91,851			91,851
Transfers Out	(177,624)			(177,624)
<b>Net Cash Receipts Over/(Under) Cash Disbursement:</b>	<b>(159,868)</b>	<b>0</b>	<b>1,504</b>	<b>(158,364)</b>
Fund Cash Balances, Janaury 1	388,182	11,075	1,190	400,447
<b>Fund Cash Balances, December 31</b>	<b>\$228,314</b>	<b>\$11,075</b>	<b>\$2,694</b>	<b>242,083</b>

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

**VILLAGE OF OAK HILL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Oak Hill, Jackson County, Ohio, (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 and police protection operations, cemetery maintenance, recreational activities, and street lighting.

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 a payment is made 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**

The Village had one primary checking account and had no investments during our audit period.

**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 is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**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:

Street Construction, Maintenance and Repair Fund - This fund received gasoline tax and motor vehicle license tax money to construct, maintain and repair Village streets.

Fire Levy Fund - This fund received real estate and personal property tax money to provide fire protection for residents of the Village.

Cemetery Fund - This fund received property tax money to maintain the Village's cemetery.

**VILLAGE OF OAK HILL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

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

**D. Fund Accounting (Continued)**

**3. Capital Projects 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 projects fund:

Capital Projects Fund - This fund received monies from the Capital Improvement fund by transfer for the funding of Water and Sewer Projects.

**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 received charges for services from residents to cover the cost of providing this utility.

Sewer Fund - This fund received charges for services from residents to cover the cost of providing 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 significant Fiduciary Fund:

Mayor's Court Fund - This fund received fine money from fines and forfeitures of individuals who are cited to appear in court for violating Village laws and regulations.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (i.e., disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The 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.

**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.

**VILLAGE OF OAK HILL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

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

**E. Budgetary Process (Continued)**

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio Law.

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.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for 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**

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>1999</u>	<u>1998</u>
Demand deposits	<u>\$592,237</u>	<u>\$785,291</u>

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

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

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$259,820	\$286,627	\$26,807
Special Revenue	350,280	240,583	(109,697)
Capital Projects	0	369,968	369,968
Enterprise	815,602	756,152	(59,450)
Expendable Trust	3,630	3,959	329
Nonexpendable Trust	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$1,429,332</u>	<u>\$1,657,289</u>	<u>\$227,957</u>

**VILLAGE OF OAK HILL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Disbursements

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Disbursements</u>	<u>Variance</u>
General	\$341,736	\$320,941	\$20,795
Special Revenue	407,482	331,099	76,383
Capital Projects	200,929	437,311	(236,382)
Enterprise	1,167,786	759,645	408,141
Expendable Trust	0	0	0
Nonexpendable Trust	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$2,117,933</u>	<u>\$1,848,996</u>	<u>\$268,937</u>

1998 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budget Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$286,000	\$301,241	\$15,241
Special Revenue	206,000	391,051	185,051
Capital Projects	0	213,776	213,776
Enterprise	899,093	873,971	(25,112)
Expendable Trust	3,724	8,967	5,243
Nonexpendable Trust	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$1,394,817</u>	<u>\$1,789,006</u>	<u>\$394,189</u>

1998 Budgeted vs. Actual Disbursements

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Disbursements</u>	<u>Variance</u>
General	\$308,813	\$230,405	\$78,408
Special Revenue	361,323	273,924	87,399
Capital Projects	174,000	146,433	27,567
Enterprise	1,336,900	1,033,839	303,061
Expendable Trust	0	0	0
Nonexpendable Trust	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$2,181,036</u>	<u>\$1,684,601</u>	<u>\$496,435</u>

**VILLAGE OF OAK HILL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

The Village Council made appropriations in excess of the available resources certified by the budget commission, contrary to the provisions of Ohio Rev. Code Section 5705.39. The Village Council authorized the disbursement of Village funds that were not supported by appropriations, contrary to the provisions of Ohio Rev. Code Section 5705.41(b).

**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. RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full time employees, as well as the Mayor, the Clerk, and the members of Council, belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF 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 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. 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 13.55 % of participants' gross salaries. The Village has paid all contributions required through December 31, 1999

**6. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	\$ 759,761	2.20%
General Obligation Notes	<u>505,516</u>	4.75% to 6.9%
	<u>\$1,265,277</u>	

The Ohio Water Development Authority (OWDA) loan originated in July 1994 and relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA approved \$1,332,278 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$59,742 including interest, over 20 years. The scheduled payment was adjusted to reflect revisions in amounts actually borrowed.

**VILLAGE OF OAK HILL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**6. DEBT (Continued)**

The FmHA loans were for water improvements. One originated in November, 1974, with a period of 30 years. The loan was approved for \$375,000 at 4.75%, with annual payments ranging from \$4,000 to \$18,000. A second loan originated in December, 1986, with a period of 30 years. This loan was approved for \$272,000 at 6%, with annual payments ranging from \$2,000 to \$17,300.

The OPWC loan was an interest free loan for a waterline replacement. The loan originated in July, 1999, with semiannual payments of \$2,822 for a period of 10 years.

The loan for the fire truck was obtained in October, 1997, from the Oak Hill Bank in the amount of \$19,075 at 6.5%. This loan will be repaid in monthly installments of \$373 for a period of five years.

The loan for a recycle truck was obtained in May, 1998, from the Oak Hill Bank in the amount of \$60,010 at 6.5%. This loan will be repaid in monthly installments of \$1,177 for a period of 5 years.

The loan for a police cruiser was obtained in May, 1999, from the Oak Hill Bank in the amount of \$20,075 at 6%. This loan will be repaid in monthly installments of \$891 for a period of 2 years..

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

<u>Year ending December 31:</u>	<u>OWDA Loan</u>	<u>General Obligation Notes</u>
2000	\$ 59,742	\$ 34,934
2001	59,742	67,784
2002	59,742	63,353
2003	59,742	50,238
2004	59,742	43,570
Subsequent	<u>597,420</u>	<u>527,683</u>
	<u>\$896,130</u>	<u>\$787,562</u>

**7. RISK MANAGEMENT**

The Village contracted with Public Entities Pool Insurance of Ohio Insurance Company for property and general liability insurance. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicles

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





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OFFICE OF THE AUDITOR JAK HILL

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

Village of Oak Hill  
Jackson County  
415 N. Front Street  
Oak Hill, Ohio 45656

To the Village Council:

We have audited the accompanying financial statements of the Village of Oak Hill, Jackson County, Ohio (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 28, 2000. We conducted our audit 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 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* which are described in the accompanying Schedule of Finding as items 1999-30740-001 and 1999-30740-002. We also noted certain immaterial instances of noncompliance that we have reported to the management of the Village in a separate letter dated April 28, 2000.

**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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reporting conditions are described in the accompanying Schedule of Findings as item 1999-30740-003.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe item 1999-30740-003 described above to be a material weakness. We also 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 April 28, 2000.

This report is intended for the information of the audit committee, management and the Village Council, and is not intended to be and should not be used by any one other than these specified parties.



**Jim Petro**  
Auditor of State

April 28, 2000

**VILLAGE OF OAK HILL  
SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

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

**FINDING NUMBER 1999-30740-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.39 states that total appropriations from each fund should not exceed the total estimated resources for that fund.

Appropriations exceeded estimated resources in the following funds for the year 1998: Cemetery Fund (\$3,736) (5.3%); COPS Fast Fund (\$65,915) (260%); Fire Fund (\$8,878) (25.1%); Trash Fund (\$122,843) (42%); and the Sewer Revenue Fund (\$54,262) (11.8%). Additionally there were no estimated resources for the Sewer Capital Improvement Fund, but there were appropriations of \$174,000.

Appropriations exceeded estimated resources in the following funds for the year 1999: Street Construction, Maintenance, and Repair Fund (\$11,385) (13.1%); Community Improvement Fund (\$16,316) (15.7%); Sewer Capital Improvement Fund (\$133,585) (198%); Water Revenue Fund (\$46,385) (12.9%); and the Sewer Revenue Fund (\$214,738) (86.4%).

We recommend the Village Council not make appropriations, to any fund, in excess of the total estimated resources for that fund, as certified by the County Budget Commission.

**FINDING NUMBER 1999-30740-002**

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated.

The Capital Improvement Fund had expenditures which exceeded appropriations by \$59,790 (34.4%) for the fiscal year 1998. Expenditures were made from the Issue II Fund in the amount of \$39,776 during fiscal year 1998 and \$261,353 during fiscal year 1999 even though Council made no appropriations to that fund in either fiscal year.

We recommend the Village Council not approve any disbursement of Village funds that is not supported by appropriations.

**FINDING NUMBER 1999-30740-003**

**Reportable Condition**

**Estimated Receipts**

During the testing of the budgetary compliance we noted that estimated receipts exceeded actual receipts in the following funds during fiscal year 1998: Street Construction, Maintenance, and Repair Fund (\$4,154) (6.0%), Water Revenue Fund (\$28,199) (7.8%), Sewer Revenue Fund (\$158,860) (43.0%), and the Swimming Pool Fund (\$13,444) (25.8%). Additionally, estimated receipts exceeded actual receipts in the following funds during fiscal year 1999: Street Construction, Maintenance, and Repair Fund (\$4,247) (6.2%), State Highway Improvement Fund (\$255) (5.7%), Cemetery Fund (\$45,089) (45.6%), COPS Fast Fund (\$50,073) (55.6%), Fire Fund (\$20,768) (61.7%), Sewer Revenue Fund (\$14,541) (6.6%), Swimming Pool Fund (\$67,641) (61.5%), and the Water Deposit Fund (\$2,135) (21.0%).

Since appropriations and subsequent expenditures are based on estimated receipts, a shortage of actual receipts could result in overspending.

We recommend the Clerk monitor actual receipts. When it is apparent that actual receipts will not reach the budgetary estimates, we recommend the Clerk obtain a reduced amended certificate from the County Budget Commission. We further recommend the Village Council make the corresponding reduction in appropriations.

**VILLAGE OF OAK HILL  
CORRECTIVE ACTION PLAN  
DECEMBER 31, 1999 AND 1998**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contract person
1999-30740-001	The appropriations will be compared to the Amended Certificates of Estimated Resources when they are approved by Council.	January, 2001	Martha Detty, Clerk/Treasurer  Robert Jones, Mayor
1999-30740-002	Monitoring the appropriation ledger should prevent expenditures exceeding appropriations	January, 2001	Martha Detty, Clerk/Treasurer  Robert Jones, Mayor
1999-30740-003	Budget to actual reports and monthly monitoring of receipts should prevent this situation from continuing in the future	January, 2001	Martha Detty, Clerk/Treasurer  Robert Jones, Mayor



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**VILLAGE OF OAK HILL**

**JACKSON 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  
AUGUST 1, 2000**