



**VILLAGE OF HOYTVILLE  
WOOD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001-2000**



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

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STATE OF OHIO



VILLAGE OF HOYTVILLE  
WOOD COUNTY

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**REPORT OF INDEPENDENT ACCOUNTANTS**

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Hoytville (the Village) as of and for the years ended December 31, 2001 and 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 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits 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 and reserves for encumbrances of the Village as of December 31, 2001 and 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 February 27, 2002 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 audits.

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

**Jim Petro**  
Auditor of State

February 27, 2002

**VILLAGE OF HOYTVILLE  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$5,775			\$5,775
Special Assessments		\$6,778		6,778
Intergovernmental Receipts	21,184	9,206		30,390
Earnings on Investments	1,401		\$3,806	5,207
Miscellaneous	6,940			6,940
<b>Total Cash Receipts</b>	<u>35,300</u>	<u>15,984</u>	<u>3,806</u>	<u>55,090</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	3,912			3,912
Public Health Services	64			64
Leisure Time Activities	9,200			9,200
Community Environment	3,034	31		3,065
Basic Utility Services		78		78
General Government	16,840			16,840
Capital Outlay	8,000	14,591		22,591
<b>Total Cash Disbursements</b>	<u>41,050</u>	<u>14,700</u>		<u>55,750</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(5,750)</u>	<u>1,284</u>	<u>3,806</u>	<u>(660)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Advances-In	8,000		8,000	16,000
Advances-Out	(8,000)		(8,000)	(16,000)
<b>Total Other Financing Receipts/(Disbursements)</b>				
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(5,750)</u>	<u>1,284</u>	<u>3,806</u>	<u>(660)</u>
Fund Cash Balances, January 1	5,835	6,707	22,857	35,399
<b>Fund Cash Balances, December 31</b>	<u><u>\$85</u></u>	<u><u>\$7,991</u></u>	<u><u>\$26,663</u></u>	<u><u>\$34,739</u></u>
Reserves for Encumbrances, December 31	<u>\$69</u>			<u>\$69</u>

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

**VILLAGE OF HOYTVILLE  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$22,415
<b>Operating Cash Disbursements:</b>	
Personal Services	4,412
Fringe Benefits	636
Contractual Services	4,710
Total Operating Cash Disbursements	9,758
Operating Income	12,657
<b>Non-Operating Cash Receipts:</b>	
Intergovernmental Receipts	4,107
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	8,235
Other Non-Operating Cash Disbursements	1,107
Total Non-Operating Cash Disbursements	9,342
Net Receipts Over Disbursements	7,422
Fund Cash Balances, January 1	68,375
<b>Fund Cash Balances, December 31</b>	<b>\$75,797</b>
Reserve for Encumbrances, December 31	\$28

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



**VILLAGE OF HOYTVILLE  
WOOD COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$5,494			\$5,494
Special Assessments		\$6,231		6,231
Intergovernmental Receipts	20,282	8,590		28,872
Earnings on Investments	1,832		\$256	2,088
Miscellaneous	5,683			5,683
<b>Total Cash Receipts</b>	<u>33,291</u>	<u>14,821</u>	<u>256</u>	<u>48,368</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	3,740			3,740
Public Health Services	40			40
Leisure Time Activities	2,801			2,801
Community Environment	2,385	21		2,406
Basic Utility Services		52		52
General Government	42,025			42,025
Capital Outlay		17,643		17,643
<b>Total Cash Disbursements</b>	<u>50,991</u>	<u>17,716</u>		<u>68,707</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(17,700)</u>	<u>(2,895)</u>	<u>256</u>	<u>(20,339)</u>
<b>Other Financing Receipts:</b>				
Other Financing Receipts	100			100
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements</b>	<u>(17,600)</u>	<u>(2,895)</u>	<u>256</u>	<u>(20,239)</u>
<b>Fund Cash Balances, January 1</b>	<u>23,435</u>	<u>9,602</u>	<u>22,601</u>	<u>55,638</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$5,835</u></u>	<u><u>\$6,707</u></u>	<u><u>\$22,857</u></u>	<u><u>\$35,399</u></u>
<b>Reserves for Encumbrances, December 31</b>	<u><u>\$48</u></u>			<u><u>\$48</u></u>

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

**VILLAGE OF HOYTVILLE  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$22,691
<b>Operating Cash Disbursements:</b>	
Personal Services	4,404
Fringe Benefits	483
Contractual Services	3,975
Total Operating Cash Disbursements	8,862
Operating Income	13,829
<b>Non-Operating Cash Receipts:</b>	
Intergovernmental Receipts	4,766
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	8,230
Other Non-Operating Cash Disbursements	1,461
Total Non-Operating Cash Disbursements	9,691
Net Receipts Over Disbursements	8,904
Fund Cash Balances, January 1	59,471
<b>Fund Cash Balances, December 31</b>	<b>\$68,375</b>
Reserve for Encumbrances, December 31	\$80

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

**VILLAGE OF HOYTVILLE  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Hoytville, Wood County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides sewer utilities and park operations.

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**

Investments are included in fund cash balances. 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.

Certificates of deposit are valued at cost.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

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

**VILLAGE OF HOYTVILLE  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**3. Enterprise Funds**

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

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

**4. Fiduciary Funds (Trust Funds)**

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

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

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**VILLAGE OF HOYTVILLE  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Village maintains a cash and investment 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:

	2001	2000
Demand deposits	\$24,302	\$89,036
Certificates of deposit	86,234	14,738
Total deposits	\$110,536	\$103,774

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$35,791	\$35,300	(\$491)
Special Revenue	15,300	15,984	684
Expendable Trust	200	3,806	3,606
Enterprise	27,500	26,522	(978)
Total	\$78,791	\$81,612	\$2,821

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$41,578	\$41,119	\$459
Special Revenue	21,008	14,700	6,308
Expendable Trust	23,056		23,056
Enterprise	95,795	19,128	76,667
Total	\$181,437	\$74,947	\$106,490

**VILLAGE OF HOYTVILLE  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$35,779	\$33,391	(\$2,388)
Special Revenue	15,500	14,821	(679)
Expendable Trust		256	256
Enterprise	30,000	27,457	(2,543)
Total	<u>\$81,279</u>	<u>\$75,925</u>	<u>(\$5,354)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$52,867	\$51,039	\$1,828
Special Revenue	23,591	17,716	5,875
Expendable Trust			
Enterprise	87,538	18,633	68,905
Total	<u>\$163,996</u>	<u>\$87,388</u>	<u>\$76,608</u>

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

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, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Sewer System Loan	<u>\$122,700</u>	5%

The debt is for installation of a sewer system.

**VILLAGE OF HOYTVILLE  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

Year ending December 31:	Sewer System Loan
2002	\$8,235
2003	8,230
2004	8,220
2005	8,305
2006	8,280
Subsequent	188,710
Total	\$229,980

**6. RETIREMENT SYSTEM**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of PERS participants' gross salaries through June 30, 2000. Commencing July 1, 2000, PERS temporarily reduced employer contributions to 8.13%. The Village has paid all contributions required through December 31, 2001.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

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

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Hoytville (the Village) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated February 27, 2002. 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*.

**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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated February 27, 2002.

Village of Hoytville  
Wood County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

February 27, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF HOYTVILLE**

**WOOD COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 26, 2002**