

VILLAGE OF KILLBUCK

AUDIT REPORT

JANUARY 1, 2003 – DECEMBER 31, 2004



**Auditor of State
Betty Montgomery**

Village Council
Village of Killbuck
138 S. Main Street
Killbuck, Ohio 44637

We have reviewed the *Independent Auditor's Report* of the Village of Killbuck, Holmes County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2003 through December 31, 2004. 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 Killbuck is responsible for compliance with these laws and regulations.

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BETTY MONTGOMERY
Auditor of State

September 20, 2005

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**VILLAGE OF KILLBUCK
HOLMES COUNTY**

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WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Village of Killbuck
Holmes County
138 Main Street
Killbuck, Ohio 44637

We have audited the accompanying financial statements of Village of Killbuck, Holmes County as of and for the years ended December 31, 2004 and 2003. 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 accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since this Village does not use GAAP to measure financial statement amounts, 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 year ended December 31, 2004 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, 2004 or its changes in financial position or cash flows of its proprietary funds 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 Village of Killbuck, Holmes County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

Village of Killbuck
Independent Auditors' Report
Page two

The aforementioned revision to generally accepted accounting principles also require the Village to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 a report dated August 5, 2005, on our consideration of Village of Killbuck's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
August 5, 2005

**VILLAGE OF KILLBUCK
HOLMES COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES-ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 71,765	\$ -	\$ -	\$ 71,765
Intergovernmental Receipts	26,159	34,384	-	60,543
Charges for Services	4,339	-	-	4,339
Fines, Licenses, and Permits	311	-	-	311
Earnings on Investments	4,380	231	-	4,611
Miscellaneous	11,731	-	18,991	30,722
Total Cash Receipts	<u>118,685</u>	<u>34,615</u>	<u>18,991</u>	<u>172,291</u>
Cash Disbursements:				
Current:				
Security of Persona and Property	13,383	-	-	13,383
Public Health Services	3,118	-	-	3,118
Leisure Time Activities	11,454	-	-	11,454
Basic Utility Service	4,725	-	-	4,725
Transportation	30,659	32,525	-	63,184
General Government	30,003	-	-	30,003
Capital Outlay	-	-	-	-
Total Cash Disbursements	<u>93,342</u>	<u>32,525</u>	<u>-</u>	<u>125,867</u>
Total Receipts Over/(Under) Cash Disbursements	25,343	2,090	18,991	46,424
Other Financing Receipts/(Disbursements)				
Transfers-In	1,918	-	-	1,918
Transfers-Out	-	-	(1,918)	(1,918)
Total Other Financing Receipts/(Disbursements)	<u>1,918</u>	<u>-</u>	<u>(1,918)</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	27,261	2,090	17,073	46,424
Fund Cash Balances, January 1	<u>137,831</u>	<u>17,947</u>	<u>36,556</u>	<u>192,334</u>
Fund Cash Balances, December 31	<u>\$ 165,092</u>	<u>\$ 20,037</u>	<u>\$ 53,629</u>	<u>\$ 238,758</u>
Reserve for Encumbrances, December 31	<u>\$ 433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 433</u>

See notes to financial statements.

**VILLAGE OF KILLBUCK
HOLMES COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES-ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 63,823	\$ -	\$ -	\$ 63,823
Intergovernmental Receipts	26,336	30,435	-	56,771
Charges for Services	4,345	-	-	4,345
Fines, Licenses, and Permits	556	-	-	556
Earnings on Investments	6,247	329	-	6,576
Miscellaneous	7,681	-	25,686	33,367
Total Cash Receipts	<u>108,988</u>	<u>30,764</u>	<u>25,686</u>	<u>165,438</u>
Cash Disbursements:				
Current:				
Security of Persona and Property	15,042	-	-	15,042
Public Health Services	2,422	-	-	2,422
Leisure Time Activities	8,895	-	-	8,895
Basic Utility Services	2,271	-	-	2,271
Transportation	10,659	31,638	-	42,297
General Government	38,741	-	-	38,741
Capital Outlay	-	-	54,904	54,904
Total Cash Disbursements	<u>78,030</u>	<u>31,638</u>	<u>54,904</u>	<u>164,572</u>
Total Receipts Over/(Under) Cash Disbursements	30,958	(874)	(29,218)	866
Other Financing Receipts/(Disbursements)				
Transfers-In	-	-	-	-
Transfers-Out	-	-	-	-
Total Other Financing Receipts/(Disbursements)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	30,958	(874)	(29,218)	866
Fund Cash Balances, January 1	<u>106,873</u>	<u>18,821</u>	<u>65,774</u>	<u>191,468</u>
Fund Cash Balances, December 31	<u>\$ 137,831</u>	<u>\$ 17,947</u>	<u>\$ 36,556</u>	<u>\$ 192,334</u>
Reserve for Encumbrances, December 31	<u>\$ 48</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48</u>

See notes to financial statements.

**VILLAGE OF KILLBUCK
HOLMES COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES-PROPRIETARY FUND TYPE
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	<u>2004</u> <u>Enterprise</u>	<u>2003</u> <u>Enterprise</u>
Operating Cash Receipts:		
Charges for Services	\$ 312,806	\$ 315,292
Miscellaneous	11,757	496
Total Operating Cash Receipts	<u>324,563</u>	<u>315,788</u>
Operating Cash Disbursements:		
Personal Services	87,661	84,126
Travel Transportation	455	234
Contractual Services	70,081	61,684
Supplies and Materials	25,343	19,386
Capital Outlay	71,334	22,576
Total Operating Cash Disbursements	<u>254,874</u>	<u>188,006</u>
Operating Income	69,689	127,782
Non-Operating Cash Disbursements:		
Debt Service:		
Principal	70,061	65,686
Interest	26,752	31,181
Total Non-Operating Cash Disbursements	<u>96,813</u>	<u>96,867</u>
Net Cash Receipts Over Cash Disbursements	(27,124)	30,915
Fund Cash Balances, January 1	<u>346,289</u>	<u>315,374</u>
Fund Cash Balances, December 31	<u>\$ 319,165</u>	<u>\$ 346,289</u>
Reserve for Encumbrances, December 31	<u>\$ 1,637</u>	<u>\$ 798</u>

See notes to financial statements.

**VILLAGE OF KILLBUCK
HOLMES COUNTY**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Killbuck, Holmes 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 water and sewer utilities, park operations, and police services. The Village has contracted with the Holmes County Sheriff's department to provide security of persons and property for the period April 1, 2002 through January 2, 2005.

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

The Village maintains cash in an interest bearing checking account and a Money Market account.

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:

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.

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 is used to account for gasoline tax monies for constructing, maintaining and repairing Village streets.

**VILLAGE OF KILLBUCK
HOLMES COUNTY**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Capital Projects Funds

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise funds). The Village had the following Capital Projects Fund.

CIC Loan Fund – This fund is used to account for the activity related to capital improvements loans the Village offers to local businesses.

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 is used to account for charges for services from residents to cover the cost of providing water services.

Sewer Fund – This fund is used to account for charges for services from residents to cover the cost of providing sewer services.

E. Budgetary Process

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

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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. Unencumbered appropriations lapse at year end.

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.

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. The Village did not encumber all commitments required by Ohio law.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

**VILLAGE OF KILLBUCK
HOLMES COUNTY**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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:

	2004	2003
Demand deposits	\$ (3,311)	\$ (3,079)
Certificates of Deposits	200,000	-
Money Market	361,234	541,702
Total Deposits	\$ 557,923	\$ 538,623

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 114,000	\$ 120,603	\$ 6,603
Special Revenue	30,000	34,615	4,615
Capital Projects	11,000	18,991	7,991
Enterprise	315,000	315,788	788
Total	\$ 470,000	\$ 489,997	\$ 19,997

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 128,248	\$ 93,775	\$ 34,473
Special Revenue	34,800	32,525	2,275
Capital Projects	38,000	1,918	36,082
Enterprise	505,922	353,324	152,598
Total	\$ 706,970	\$ 481,542	\$ 225,428

**VILLAGE OF KILLBUCK
HOLMES COUNTY**

NOTES TO FINANCIAL STATEMENTS

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 106,515	\$ 108,988	\$ 2,473
Special Revenue	27,600	30,764	3,164
Capital Projects	6,600	25,686	19,086
Enterprise	303,000	315,788	12,788
Total	<u>\$ 443,715</u>	<u>\$ 481,226</u>	<u>\$ 37,511</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 108,380	\$ 78,078	\$ 30,302
Special Revenue	35,300	31,638	3,662
Capital Projects	63,590	54,904	8,686
Enterprise	478,222	285,671	192,551
Total	<u>\$ 685,492</u>	<u>\$ 450,291</u>	<u>\$ 235,201</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 payments, 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 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, 2004 was as follows:

	Principal	Interest rate
1988 OWDA Loan 2761/0211 HP	\$ 295,235	2.00%
1988 OWDA Loan 16541/0805 PW-NR	79,984	8.23%
1993 General Obligation Bonds	35,700	6.00%
OWDA WWTP Design 3231	11,186	6.41%
OWDA Expansion Loan 3416	55,747	5.89%
1995 OPWC Loan	26,178	0.00%
Total	<u>\$ 504,030</u>	

**VILLAGE OF KILLBUCK
HOLMES COUNTY**

NOTES TO FINANCIAL STATEMENTS

5. DEBT (Continued)

The Ohio Water Development Authority (OWDA) loans relate to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The remaining loan balances will be repaid in semiannual installments of \$32,976, including interest over 8 years. The loan is collateralized by water and sewer receipts.

The General Obligation Bonds are for the reconstruction of a water storage tank and are being repaid in semiannual installments in accordance to the debt agreement over 9 years.

The Ohio Public Works Commission (OPWC) loan also relates to the water plan expansion and update project and is being repaid in semiannual installments over 11 years.

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

Year Ended December 31	OWDA 2761/0211 HP	OWDA 1654/0805 PW-NR	General Obligation Bonds	OPWC Loan
2005	\$ 54,358	\$ 11,594	\$ 5,242	\$ 2,618
2006	54,358	11,594	5,256	2,618
2007	54,358	11,594	5,258	2,618
2008	54,358	11,594	5,248	2,618
2009	54,358	11,594	5,226	2,618
Thereafter	135,895	28,985	21,020	13,088
Total	<u>\$ 407,685</u>	<u>\$ 86,955</u>	<u>\$ 47,250</u>	<u>\$ 26,178</u>

The village entered into a contractual agreement for a Wastewater Treatment Plant (WWTP) Improvements and Expansion Loan from the Ohio Water Development Authority (OWDA). Under the terms of the agreement, the OWDA will reimburse allowable costs associated with the Village's WWTP project. The OWDA will capitalize interest and add it to the total amount of the final loan. The WWTP Improvements and Expansion Loan is not finalized but the Village has made principal payments on these loans. The loans will not have a repayment schedule until the loan is finalized; therefore, it is not included in the above amortization of debt service requirements.

6. RETIREMENT SYSTEMS

The Village elected officials and employees 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 2004 and 2003, members of PERS 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 employer contributions required through December 31, 2004.

**VILLAGE OF KILLBUCK
HOLMES COUNTY**

NOTES TO FINANCIAL STATEMENTS

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

The Village also provides health insurance coverage to full-time employees through Central Reserve Life Insurance Company.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENT PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**

Village of Killbuck
Holmes County
138 Main Street
Killbuck, Ohio 44637

We have audited the financial statements of Village of Killbuck as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated August 5, 2005, 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 Village of Killbuck 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 an opinion 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 that might be material weakness. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to management in a separate letter dated August 5, 2005.

Compliance

As part of obtaining reasonable assurance about whether Village of Killbuck's combined financial statements are free of material misstatement, we performed tests of 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted immaterial instances of noncompliance that we have reported to the management of Village of Killbuck in a separate letter dated August 5, 2005.

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

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
August 5, 2005

**VILLAGE OF KILLBUCK
HOLMES COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004 AND 2003**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2002-01	5705.41(D) Prior Certification	No	Partially Corrected: Items minimal. Management Letter Comment.
2002-02	Payroll Disbursements	No	Partially Corrected: Approval process now done. Other items in Management Letter.



**Auditor of State
Betty Montgomery**

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VILLAGE OF KILLBUCK

HOLMES 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
OCTOBER 4, 2005**