

# **FINANCIAL STATEMENTS AND AUDITOR'S REPORTS**

## **Village of Malta, Morgan County**

For the Year Ended December 31, 1999

**William Kenneth Yoho II**  
**Certified Public Accountant**

**Post Office Box 521, Belpre, Ohio 45714-0521 Phone/Fax: (740) 989-5220**





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

35 North Fourth Street, 1<sup>st</sup> Floor  
Columbus, Ohio 43215  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-728-7398

Mayor and Village Council  
Village of Malta, Morgan County  
Malta, Ohio 43758

We have reviewed the Independent Auditor's Report of the Village of Malta, Morgan County, prepared by William Kenneth Yoho II, CPA, for the audit period January 1, 1999 to December 31, 2000. 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.

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 Malta is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

July 26, 2001

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VILLAGE OF MALTA, MORGAN COUNTY  
 ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL  
 FOR THE YEAR ENDED DECEMBER 31, 1999

<u>ELECTED OFFICIAL</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>
Philip Barkhurst	Mayor	01/01/00 to 12/31/03
Trudy Clemens	Clerk-Treasurer	04/01/00 to 03/31/04
Paul Barkhurst	Council Member	01/01/98 to 12/31/01
Thomas Gormley	Council Member	01/01/98 to 12/31/01
Thomas McCoy	Council Member	01/01/98 to 12/31/01
Ronald Nichols	Council Member	01/01/00 to 12/31/03
James White	Council Member	01/01/00 to 12/31/03
Janet White	Council Member	01/01/98 to 12/31/01

<u>ADMINISTRATIVE PERSONNEL</u>	<u>TITLE</u>	<u>CONTRACT PERIOD</u>
Linda Nichols	Utility Clerk/Tax Commissioner	Continuing
Terry Spears	Foreman	Continuing
Walter Wallace	Assistant Foreman	Continuing

Legal Counsel:

John Wells, Solicitor  
 Christie, Christie, and Wells  
 363 Bell Street  
 McConnelsville, OH 43756

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**VILLAGE OF MALTA, MORGAN COUNTY  
DECEMBER 31, 1999**

**FINANCIAL STATEMENTS AND AUDITOR'S REPORT**

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# WILLIAM KENNETH YOHO II

## CERTIFIED PUBLIC ACCOUNTANT

### INDEPENDENT AUDITOR'S REPORT

June 21, 2001

Mayor and Village Council  
Village of Malta, Morgan County  
105 5<sup>th</sup> Street  
Malta, Ohio 43758

I have audited the accompanying financial statements of the Village of Malta, Morgan County (the "Village") as of and for the year ended December 31, 1999. These financial statements are the responsibility of the Village's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 2, Village of Malta, Morgan County 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 my opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances, of the Village of Malta, Morgan County as of December 31, 1999, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 21, 2001, on my consideration of Village of Malta, Morgan County's internal control over financial reporting and my 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 management of the Village of Malta, Morgan County, council members, 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 specified parties.

William Kenneth Yoho II  
Certified Public Accountant

VILLAGE OF MALTA, MORGAN COUNTY  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES – ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Governmental Fund Types</u>			<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Memorandum Only</u>
<b>Cash receipts:</b>				
Local taxes	\$ 187,868	\$ 19,641	\$ 0	\$ 207,509
Intergovernmental	72,491	48,091	5,459	126,041
Fines, licenses, and permits	6,034	437	0	6,471
Miscellaneous	<u>26,915</u>	<u>4,375</u>	<u>965</u>	<u>32,255</u>
Total cash receipts	<u>293,308</u>	<u>72,544</u>	<u>6,424</u>	<u>372,276</u>
<b>Cash disbursements:</b>				
Security of persons and property	34,589	11,079	0	45,668
Public health services	6,041	0	0	6,041
Leisure time activities	5,309	0	0	5,309
Basic utility services	27,901	0	0	27,901
Transportation	34,304	22,163	0	56,467
General government	196,576	772	0	197,348
Capital outlay	<u>28,035</u>	<u>47,175</u>	<u>6,772</u>	<u>81,982</u>
Total cash disbursements	<u>332,755</u>	<u>81,189</u>	<u>6,772</u>	<u>420,716</u>
<b>Other receipts and disbursements:</b>				
Sale of fixed asset	205	0	0	205
Transfers in (out)	<u>0</u>	<u>19,908</u>	<u>(19,908)</u>	<u>0</u>
Total other receipts and disbursements	<u>205</u>	<u>19,908</u>	<u>(19,908)</u>	<u>205</u>
Excess (deficiency) of cash receipts over cash disbursements	(39,242)	11,263	(20,256)	(48,235)
Fund cash balances, January 1, 1999	<u>221,589</u>	<u>72,010</u>	<u>20,256</u>	<u>313,855</u>
Fund cash balances, December 31, 1999	<u>\$ 182,347</u>	<u>\$ 83,273</u>	<u>\$ 0</u>	<u>\$ 256,620</u>
Reserve for encumbrances, December 31, 1999	<u>\$ 18,814</u>	<u>\$ 465</u>	<u>\$ 0</u>	<u>\$ 19,279</u>

Refer to both the auditor's reports and the notes to the financial statements.

VILLAGE OF MALTA, MORGAN COUNTY  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES – PROPRIETARY FUND TYPE  
 AND SIMILAR FIDUCIARY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals Memorandum Only</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating cash receipts:			
Charges for services	\$ <u>194,845</u>	\$ <u>0</u>	\$ <u>194,845</u>
Total operating cash receipts	<u>194,845</u>	<u>0</u>	<u>194,845</u>
Operating cash disbursements:			
Personal services	79,092	0	79,092
Contractual services	49,573	0	49,573
Supplies and materials	26,434	0	26,434
Capital projects	<u>132,980</u>	<u>0</u>	<u>132,980</u>
Total operating cash disbursements	<u>288,079</u>	<u>0</u>	<u>288,079</u>
Operating income (loss)	<u>(93,234)</u>	<u>0</u>	<u>(93,234)</u>
Non-operating cash receipts:			
Miscellaneous receipts	331	0	331
Other non-operating receipts	<u>0</u>	<u>8,162</u>	<u>8,162</u>
Total non-operating cash receipts	<u>331</u>	<u>8,162</u>	<u>8,493</u>
Non-operating cash disbursements:			
Debt service	19,723	0	19,723
Other non-operating disbursements	<u>0</u>	<u>8,010</u>	<u>8,010</u>
Total non-operating cash disbursements	<u>19,723</u>	<u>8,010</u>	<u>27,733</u>
Net income (loss)	(112,626)	152	(112,474)
Fund cash balances, January 1, 1999	<u>86,345</u>	<u>494</u>	<u>86,839</u>
Fund cash balances, December 31, 1999	\$ <u>(26,281)</u>	\$ <u>646</u>	\$ <u>(25,635)</u>
Reserve for encumbrances, December 31, 1999	\$ <u>2,991</u>	\$ <u>0</u>	\$ <u>2,991</u>

Refer to the auditor's reports and the notes to the financial statements.

VILLAGE OF MALTA, MORGAN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

**Note 1. Reporting Entity**

**Description of the Entity** The Village of Malta, Morgan County 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, park operations (leisure time activities), and police services.

The Village has financial relationships with the Malta Union Cemetery and a special arrangement with the Village of McConnelsville for joint ownership and operation of a swimming pool. Additional information concerning these relationships is presented in Note 7.

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

**Note 2. Summary of Significant Accounting Policies and Procedures**

**Basis of Accounting** The Village of Malta, Morgan County (Village) prepares its financial statements on a basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Consequently, receipts and the related assets are recognized when received rather than when earned, and disbursements are recognized when paid rather than when the obligation is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved.) Refer to Note 4 for further disclosures.

The Village's management believes these financial statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Village also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided those standards do not conflict with or contradict GASB pronouncements. The significant portions of the Village's accounting policies are described below.

**Fund Accounting** The Village maintains its accounting records in accordance with the principles of fund accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The Village classifies its funds into the following types.

**General Fund** The general fund is the general operating fund of the Village. It is used to account for all financial resources except those required by law or contract to be restricted for other purposes.

**Special Revenue Funds** The special revenue 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 during the period of this report.

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

VILLAGE OF MALTA, MORGAN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
Continued

**Note 2. Summary of Significant Accounting Policies and Procedures (continued)**

**Fund Accounting – Special Revenue Funds (continued)**

State Highway Improvement Fund This fund receives gasoline tax and motor vehicle tax monies for constructing, maintaining, and repairing state highways within the Village.

Fire Levy Fund This fund receives local tax dollars from a special levy for offsetting fire protection costs within the Village.

**Capital Project Funds** These funds 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 project fund during the period of this report.

Federal Emergency Management Assistance (FEMA) Fund This fund receives grant dollars to help offset the cost of repairs to Village infrastructure resulting from natural disasters.

**Enterprise Funds** These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose. The Village had the following significant enterprise funds.

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

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

**Fiduciary Funds** 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 receives and accounts for the activity of the Mayor's Court.

**Budgetary Process** The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually. This process is discussed below.

**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 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.

VILLAGE OF MALTA, MORGAN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
Continued

**Note 2. Summary of Significant Accounting Policies and Procedures (continued)**

**Fund Accounting – Budgetary Process (continued)**

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus beginning of the year fund cash balances. 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 carry over into the next year and need not be reappropriated. A summary of 1999 budgetary activity appears in Note 4 below.

**Property, Plant, and Equipment** Acquisitions and/or construction of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**Unpaid Vacation and Sick Leave** Employees are entitled to cash 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.

**Note 3. Equity in Pooled Cash and Investments**

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31, 1999 was \$239,339. These deposits were either insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village and held by a qualified third party trustee.

**Note 4. Budgetary Activity**

The Village’s budgeted receipts and disbursements for the fiscal year are summarized below.

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 285,232	\$ 293,513	\$ 8,281
Special revenue	\$ 116,003	\$ 92,453	\$ (23,550)
Capital projects	\$1,231,600	\$ 6,424	\$(1,225,176)
Enterprise	\$ 769,600	\$ 195,176	\$ (574,424)

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgeted Expenditures</u>	<u>Variance</u>
General	\$ 496,378	\$ 351,569	\$ 144,809
Special revenue	\$ 111,181	\$ 81,654	\$ 29,527
Capital projects	\$1,770,220	\$ 159,660	\$1,610,560
Enterprise	\$ 210,292	\$ 177,813	\$ 32,479



VILLAGE OF MALTA, MORGAN COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 1999  
 Continued

**Note 5. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 reflected in the accompanying financial statements as intergovernmental receipts. Payments are due to the County by 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.

**Note 6. Notes Payable**

Debt outstanding at December 31, 1999 was as follows:

The Ohio Water Development Authority (OWDA) sewer loan relates to modifications to existing combined sewer overflows and modifications to the existing sewage pumping station. The principal due as of the end of the year was \$87,427 with an interest rate of 7.96% and a semi-annual payment of \$6,111.

The OWDA water loan relates to Emergency Village Capital Improvement Special Account (EVCISA) funds received through the Ohio Environmental Protection Agency to pay all or part of costs for assessing needs and planning improvements to the Village water treatment plant. The EVCISA loans are temporary and to be used for preliminary engineering. These loans are to be repaid as soon as the Village secures its final financing for the project. The balance due at year-end is \$57,500 with an annual payment of \$7,500.

The cash required to amortize the above-described debt, including principal and interest, is as follows:

<u>Year Ending</u> <u>December 31</u>	<u>OWDA</u> <u>Sewer Loan</u>	<u>OWDA</u> <u>Water Loan</u>
2000	\$ 12,223	\$ 7,500
2001	12,223	7,500
2002	12,223	7,500
2003	12,223	7,500
2004	12,223	7,500
<b>To maturity</b>	<b>67,224</b>	<b>20,000</b>

VILLAGE OF MALTA, MORGAN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
Continued

**Note 7. Retirement Systems**

The Village's 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 post-retirement health care, 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, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participant's gross salaries. The Village has paid all contributions required through December 31, 1999.

**Note 8. Joint Ventures**

The Village of McConnelsville and Village of Malta have established a Recreation Committee under the provisions of Ohio Revised Code Section 755.16 to construct, operate, and maintain a swimming pool to provide organized recreational programs for the citizens of both Villages. The Committee consists of three Council Members from each Village appointed by the respective Village Councils and the Mayor of the Villages in alternating two-year terms. Receipts and disbursements are budgeted and accounted for by the Villages in alternative two-year terms. Each Village shares equally in any operation disbursements in excess of collection of user fees. The Committee can be dissolved only by mutual consent of both Village Councils. If the Committee would be dissolved, original start up assets revert to the contributing village or if acquired jointly, would be split equally. The activity for 1999 was accounted for and reported by the Village of McConnelsville as part of their enterprise fund type.

**Note 9. Income Tax**

The Village of Malta has levied a tax of one percent applied to gross salaries, wages, and other personal service compensation earned by residents both in and out of Malta and to earnings of non-residents (except certain transients) earned in the municipality. It also applies to net income to business organizations conducted with Malta. Tax receipts are credited to the general fund of the Village and amounted to \$177,160 for 1999.

**Note 10. Risk Management**

The Village of Malta is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool: general liability and casualty, public official's liability, and vehicle.

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

**VILLAGE OF MALTA, MORGAN COUNTY  
DECEMBER 31, 1999**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
INTERNAL CONTROL  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

# WILLIAM KENNETH YOHO II

## CERTIFIED PUBLIC ACCOUNTANT

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

June 21, 2001

Mayor and Village Council  
Village of Malta, Morgan County  
Malta, Ohio 43758

I have audited the general-purpose financial statements of the Village of Malta, Morgan County, as of and for the year ended December 31, 1999, and have issued my report thereon dated June 21, 2001. I conducted my 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, I 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 the audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that would be required to be reported under *Government Auditing Standards*.

#### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. 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. I noted no matters involving the internal control over financial reporting that I consider to be material weaknesses as defined above.

I noted other matters involving the internal control over financial reporting, which I have reported to the management of the Village of Malta, Morgan County in a separate management letter dated June 21, 2001.

This report is intended solely for the information and use of the council members and management of the Village of Malta, Morgan County; and certain funding, oversight agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

William Kenneth Yoho II  
Certified Public Accountant

**P. O. Box 521, Belpre, Ohio 45714-0521 Phone/Fax: (740) 989-5220**

# **FINANCIAL STATEMENTS AND AUDITOR'S REPORTS**

## **Village of Malta, Morgan County**

For the Year Ended December 31, 2000

**William Kenneth Yoho II**  
**Certified Public Accountant**

**Post Office Box 521, Belpre, Ohio 45714-0521 Phone/Fax: (740) 989-5220**



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VILLAGE OF MALTA, MORGAN COUNTY  
 ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL  
 FOR THE YEAR ENDED DECEMBER 31, 2000

<u>ELECTED OFFICIAL</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>
Philip Barkhurst	Mayor	01/01/00 to 12/31/03
Trudy Clemens	Clerk-Treasurer	04/01/00 to 03/31/04
Paul Barkhurst	Council Member	01/01/98 to 12/31/01
Thomas Gormley	Council Member	01/01/98 to 12/31/01
Thomas McCoy	Council Member	01/01/98 to 12/31/01
Ronald Nichols	Council Member	01/01/00 to 12/31/03
James White	Council Member	01/01/00 to 12/31/03
Janet White	Council Member	01/01/98 to 12/31/01

<u>ADMINISTRATIVE PERSONNEL</u>	<u>TITLE</u>	<u>CONTRACT PERIOD</u>
Linda Nichols	Utility Clerk/Tax Commissioner	Continuing
Terry Spears	Foreman	Continuing
Walter Wallace	Assistant Foreman	Continuing

Legal Counsel:

John Wells, Solicitor  
 Christie, Christie, and Wells  
 363 Bell Street  
 McConnelsville, OH 43756



**VILLAGE OF MALTA, MORGAN COUNTY  
DECEMBER 31, 2000**

**FINANCIAL STATEMENTS AND AUDITOR'S REPORT**

# WILLIAM KENNETH YOHO II

## CERTIFIED PUBLIC ACCOUNTANT

### INDEPENDENT AUDITOR'S REPORT

June 21, 2001

Mayor and Village Council  
Village of Malta, Morgan County  
Malta, Ohio 43758

I have audited the accompanying financial statements of the Village of Malta, Morgan County (the "Village") as of and for the year ended December 31, 2000. These financial statements are the responsibility of the Village's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 2, Village of Malta, Morgan County 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 my opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances, of the Village of Malta, Morgan County as of December 31, 2000, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 21, 2001, on my consideration of Village of Malta, Morgan County's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

This audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements of the Village of Malta. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated, in all material respects, in relation to those financial statements taken as a whole.

This report is intended solely for the information and use of the management of the Village of Malta, Morgan County, council members, 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 specified parties.

William Kenneth Yoho II  
Certified Public Accountant

**P. O. Box 521, Belpre, Ohio 45714-0521 Phone/Fax: (740) 989-5220**

VILLAGE OF MALTA, MORGAN COUNTY  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES – ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Governmental Fund Types</u>			<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Memorandum Only</u>
<b>Cash receipts:</b>				
Local taxes	\$ 180,656	\$ 17,980	\$ 0	\$ 198,636
Intergovernmental	66,512	35,849	0	102,361
Fines, licenses, and permits	7,959	403	0	8,362
Miscellaneous	<u>28,753</u>	<u>6,327</u>	<u>0</u>	<u>35,080</u>
Total cash receipts	<u>283,880</u>	<u>60,559</u>	<u>0</u>	<u>344,439</u>
<b>Cash disbursements:</b>				
Security of persons and property	36,345	11,705	0	48,050
Public health services	5,691	0	0	5,691
Leisure time activities	12,776	0	0	12,776
Community environment	4,870	0	0	4,870
Basic utility services	30,897	0	0	30,897
Transportation	0	35,567	0	35,567
General government	202,117	1,419	0	203,536
Capital outlay	<u>14,972</u>	<u>14,282</u>	<u>0</u>	<u>29,254</u>
Total cash disbursements	<u>307,668</u>	<u>62,973</u>	<u>0</u>	<u>370,641</u>
<b>Other receipts and disbursements:</b>				
Transfers in (out)	<u>(12,500)</u>	<u>22,500</u>	<u>0</u>	<u>10,000</u>
Total other receipts and disbursements	<u>(12,500)</u>	<u>22,500</u>	<u>0</u>	<u>10,000</u>
Excess (deficiency) of cash receipts over cash disbursements	(36,288)	20,086	0	(16,202)
Fund cash balances, January 1, 2000	<u>182,347</u>	<u>83,273</u>	<u>0</u>	<u>265,620</u>
Fund cash balances, December 31, 2000	<u>\$ 146,059</u>	<u>\$ 103,359</u>	<u>\$ 0</u>	<u>\$ 249,418</u>
Reserve for encumbrances, December 31, 2000	<u>\$ 5,687</u>	<u>\$ 588</u>	<u>\$ 0</u>	<u>\$ 6,275</u>

Refer to the auditor's reports and the notes to the financial statements.

VILLAGE OF MALTA, MORGAN COUNTY  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES – PROPRIETARY FUND TYPE  
 AND SIMILAR FIDUCIARY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals Memorandum Only</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating cash receipts:			
Charges for services	\$ <u>210,167</u>	\$ <u>0</u>	\$ <u>210,167</u>
Total operating cash receipts	<u>210,167</u>	<u>0</u>	<u>210,167</u>
Operating cash disbursements:			
Personal services	90,580	0	90,580
Contractual services	40,929	0	40,929
Supplies and materials	53,747	0	53,747
Capital outlays	<u>1,510,361</u>	<u>0</u>	<u>1,510,361</u>
Total operating cash disbursements	<u>1,695,617</u>	<u>0</u>	<u>1,695,617</u>
Operating income (loss)	<u>(1,485,450)</u>	<u>0</u>	<u>(1,485,450)</u>
Non-operating cash receipts:			
Miscellaneous receipts	25,527	0	25,527
Grant and loan proceeds	1,897,878	0	1,897,878
Other non-operating receipts	<u>0</u>	<u>9,281</u>	<u>9,281</u>
Total non-operating cash receipts	<u>1,923,405</u>	<u>9,281</u>	<u>1,932,686</u>
Non-operating cash disbursements:			
Debt service	68,723	0	68,723
Transfers out	10,000	0	9,503
Other non-operating disbursements	<u>0</u>	<u>9,503</u>	<u>10,000</u>
Total non-operating cash disbursements	<u>78,723</u>	<u>9,503</u>	<u>88,226</u>
Net income (loss)	359,232	(222)	359,010
Fund cash balances, January 1, 2000	<u>(26,281)</u>	<u>646</u>	<u>(25,635)</u>
Fund cash balances, December 31, 2000	<u>\$ 332,951</u>	<u>\$ 424</u>	<u>\$ 333,375</u>
Reserve for encumbrances, December 31, 2000	<u>\$ 1,176</u>	<u>\$ 0</u>	<u>\$ 2,991</u>

Refer to the auditor's reports and the notes to the financial statements.

VILLAGE OF MALTA, MORGAN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000

**Note 1. Reporting Entity**

**Description of the Entity** The Village of Malta, Morgan 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 general governmental services, including water and sewer utilities, park operations (leisure time activities), and police services.

The Village has financial relationships with the Malta Union Cemetery and a special arrangement with the Village of McConnelsville for joint ownership and operation of a swimming pool. Additional information concerning these relationships is presented in Note 7.

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

**Note 2. Summary of Significant Accounting Policies and Procedures**

**Basis of Accounting** The Village of Malta, Morgan County prepares its financial statements on a basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Consequently, receipts and the related assets are recognized when received rather than when earned, and disbursements are recognized when paid rather than when the obligation is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved.) Refer to Note 4 for further disclosures.

The Village's management believes these financial statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Village also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided those standards do not conflict with or contradict GASB pronouncements. The significant portions of the Village's accounting policies are described below.

**Fund Accounting** The Village maintains its accounting records in accordance with the principles of fund accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The Village classifies its funds into the following types.

**General Fund** The general fund is the general operating fund of the Village. It is used to account for all financial resources except those required by law or contract to be restricted for other purposes.

**Special Revenue Funds** The special revenue 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 during the period of this report.

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

VILLAGE OF MALTA, MORGAN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000  
Continued

**Note 2. Summary of Significant Accounting Policies and Procedures (continued)**

**Fund Accounting – Special Revenue Funds (continued)**

State Highway Improvement Fund This fund receives gasoline tax and motor vehicle tax monies for constructing, maintaining, and repairing state highways within the Village.

Fire Levy Fund This fund receives local tax dollars from a special levy for offsetting fire protection costs within the Village.

**Capital Project Funds** These funds 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 project fund during the period of this report.

Federal Emergency Management Assistance (FEMA) Fund This fund receives grant dollars to help offset the cost of repairs to Village infrastructure resulting from natural disasters.

**Enterprise Funds** These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose. The Village had the following significant enterprise funds.

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

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

**Fiduciary Funds** 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 receives and accounts for the activity of the Mayor's Court.

**Budgetary Process** The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually. This process is discussed below.

**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 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.

VILLAGE OF MALTA, MORGAN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000  
Continued

**Note 2. Summary of Significant Accounting Policies and Procedures (continued)**

**Fund Accounting – Budgetary Process (continued)**

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus beginning of the year fund cash balances. 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 carry over into the next year and need not be reappropriated. A summary of 2000 budgetary activity appears in Note 4 below.

**Property, Plant, and Equipment** Acquisitions and/or construction of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**Unpaid Vacation and Sick Leave** Employees are entitled to cash 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.

**Note 3. Equity in Pooled Cash and Investments**

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31, 2000 was \$502,371. These deposits were either insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village and held by a qualified third party trustee.

**Note 4. Budgetary Activity**

The Village’s budgeted receipts and disbursements for the fiscal year are summarized below.

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 295,160	\$ 283,881	\$ (11,279)
Special revenue	\$ 51,020	\$ 83,062	\$ 32,042
Capital projects	\$1,900,000	\$1,897,878	\$ (2,122)
Enterprise	\$ 240,000	\$ 235,694	\$ (4,306)

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgeted Expenditures</u>	<u>Variance</u>
General	\$ 474,577	\$ 325,855	\$ 148,722
Special revenue	\$ 183,165	\$ 63,560	\$ 119,605
Capital projects	\$1,967,020	\$1,567,860	\$ 399,160
Enterprise	\$ 298,026	\$ 207,635	\$ 90,391

VILLAGE OF MALTA, MORGAN COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2000  
 Continued

**Note 5. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 reflected in the accompanying financial statements as intergovernmental receipts. Payments are due to the County by 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.

**Note 6. Notes Payable**

Debt outstanding at December 31, 2000 was as follows:

The Ohio Water Development Authority (OWDA) sewer loan relates to modifications to existing combined sewer overflows and modifications to the existing sewage pumping station. The principal due as of the end of the year was \$82,164 with an interest rate of 7.96% and a semi-annual payment of \$6,111.

The OWDA water loan relates to Emergency Village Capital Improvement Special Account (EVCISA) funds received through the Ohio Environmental Protection Agency to pay all or part of costs for assessing needs and planning improvements to the Village water treatment plant. The EVCISA loans were temporary and intended for preliminary engineering. These loans were retired in February 2000 when the Village secured its final financing for the project.

The Ohio Water Development Authority approved a loan application to the Village of Malta for \$768,400 at 2% interest for twenty-five years with semi-annual payments beginning in July 2001. These payments were tentatively estimated to be \$19,900 each. However, as of December 31, 2000, the Village had borrowed only \$568,958 and did not anticipate any further draws against the loan. Furthermore, as of the date of this audit, there had been no further draws. Since an amortization schedule has not yet been prepared by OWDA, cash requirements for amortization of this loan are not reported in these financial disclosures.

The cash required to amortize the OWDA sewer loan described above, including principal and interest, is as follows:

<u>Year Ending</u> <u>December 31</u>	<u>OWDA</u> <u>Sewer Loan</u>
2001	\$ 12,223
2002	12,223
2003	12,223
2004	12,223
2005	12,223
<b>To maturity</b>	<b>55,001</b>



VILLAGE OF MALTA, MORGAN COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2000  
 Continued

**Note 7. Retirement Systems**

The Village's 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 post-retirement health care, 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 2000, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participant's gross salaries. The Village has paid all contributions required through December 31, 2000.

**Note 8. Joint Ventures**

The Village of McConnelsville and Village of Malta have established a Recreation Committee under the provisions of Ohio Revised Code Section 755.16 to construct, operate, and maintain a swimming pool to provide organized recreational programs for the citizens of both Villages. The Committee consists of three Council Members from each Village appointed by the respective Village Councils and the Mayor of the Villages in alternating two-year terms. Receipts and disbursements are budgeted and accounted for by the Villages in alternative two-year terms. Each Village shares equally in any operation disbursements in excess of collection of user fees. The Committee can be dissolved only by mutual consent of both Village Councils. If the Committee would be dissolved, original start up assets revert to the contributing village or if acquired jointly, would be split equally. The activity for 1999 was accounted for and reported by the Village of McConnelsville as part of their enterprise fund type. The activity for 2000 is reported with the other enterprise fund amounts above and is summarized below.

Operating receipts	\$ 26,364
Operating expenditures	(47,553)
Non-operating receipts (subsidies)	<u>25,297</u>
Net increase (decrease) in fund balance	<u>\$ 4,108</u>

**Note 9. Income Tax**

The Village of Malta has levied a tax of one percent applied to gross salaries, wages, and other personal service compensation earned by residents both in and out of Malta and to earnings of non-residents (except certain transients) earned in the municipality. It also applies to net income to business organizations conducted with Malta. Tax receipts are credited to the general fund of the Village and amounted to \$170,923 during 2000.

**Note 10. Risk Management**

The Village of Malta is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool: general liability and casualty, public official's liability, and vehicle.

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

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**VILLAGE OF MALTA  
DECEMBER 31, 2000**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

VILLAGE OF MALTA  
 SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
 FOR THE YEAR ENDED DECEMBER 31, 2000

<u>Federal Grantor Program</u>	<u>CFDA Number</u>	<u>Federal Receipts/Disbursements</u>
<u>US Department of Commerce</u>		
Grants for Public Works and Economic Development	11.300	\$ <u>1,231,600</u>

**Notes to the Schedule of Federal Awards Expenditures**

**Note A. Significant Accounting Policies**

The above Schedule of Federal Awards summarizes activity of the Village's federal award program. The schedule has been prepared on the same basis of accounting as the other financial statements and approximates the cash basis of accounting.

**Note B. Matching Requirements**

Certain federal programs require that recipients contribute non-federal funds (matching funds) to support the federally funded program(s). The Village has complied with all matching requirements. The expenditure of non-federal matching funds is not included in the above Schedule.

**VILLAGE OF MALTA, MORGAN COUNTY  
DECEMBER 31, 2000**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
INTERNAL CONTROL  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***



# WILLIAM KENNETH YOHO II

## CERTIFIED PUBLIC ACCOUNTANT

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

June 21, 2001

Mayor and Village Council  
Village of Malta, Morgan County  
Malta, Ohio 43758

I have audited the general-purpose financial statements of the Village of Malta, Morgan County, as of and for the year ended December 31, 2000, and have issued my report thereon dated June 21, 2001. I conducted my 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, I 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 the audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that would be required to be reported under *Government Auditing Standards*.

#### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. 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. I noted no matters involving the internal control over financial reporting that I consider to be material weaknesses as defined above.

I noted other matters involving the internal control over financial reporting, which I have reported to the management of the Village of Malta, Morgan County in a separate management letter dated June 21, 2001.

This report is intended solely for the information and use of the Village Council and management of the Village of Malta, Morgan County; and certain funding, oversight agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

William Kenneth Yoho II  
Certified Public Accountant

**P. O. Box 521, Belpre, Ohio 45714-0521 Phone/Fax: (740) 989-5220**





**VILLAGE OF MALTA  
DECEMBER 31, 2000**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**



# WILLIAM KENNETH YOHO II

## CERTIFIED PUBLIC ACCOUNTANT

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

June 21, 2001

Mayor and Village Council  
Village of Malta  
Malta, Ohio 43758

#### Compliance

I have audited the compliance of Village of Malta with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2000. The Village's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Village of Malta. My responsibility is to express an opinion on the Village's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Village's compliance with those requirements.

In my opinion, the Village of Malta complied, in all material respects with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2000.

#### Internal Control Over Compliance

The management of the Village of Malta is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Village's internal control over compliance with requirements that could have a direct and material effect on the Village's major federal program in order to determine my auditing procedures for the purpose of expressing an opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of

**P. O. Box 521, Belpre, OH 45714-0521 Phone/Fax: (740) 989-5220**

performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Village Council and management of the Village of Malta; and certain funding, oversight agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

William Kenneth Yoho II  
Certified Public Accountant

**VILLAGE OF MALTA  
DECEMBER 31, 2000**

**SCHEDULE OF AUDIT FINDINGS, CITATIONS,  
AND RECOMMENDATIONS**

VILLAGE OF MALTA  
 SCHEDULE OF AUDIT FINDINGS, CITATIONS, AND RECOMMENDATIONS  
 DECEMBER 31, 2000

SCHEDULE OF FINDINGS  
 OMB CIRCULAR A -133 § .505

**1. SUMMARY OF AUDITOR'S RESULTS**

	<b>Type of Financial Statement Opinion</b>	Unqualified
	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
	<b>Are there any reportable findings under § .510?</b>	No
	<b>Major Programs (list):</b>	CFDA #11.300 Grants for Public Works and Economic Development
	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
	<b>Low Risk Auditee?</b>	Yes

VILLAGE OF MALTA  
SCHEDULE OF AUDIT FINDINGS, CITATIONS, AND RECOMMENDATIONS  
DECEMBER 31, 2000

**SCHEDULE OF FINDINGS**  
OMB CIRCULAR A -133 § .505  
(Continued)

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

There were no findings related to the financial statements.

**3. FINDINGS FOR FEDERAL AWARDS**

There were no findings related to the federal awards.







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**VILLAGE OF MALTA**

**MORGAN 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 16, 2001**