



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

---

**STATE OF OHIO**



VILLAGE OF WESTON  
WOOD COUNTY

TABLE OF CONTENTS

| TITLE  | PAGE |
|--|------|
| Report of Independent Accountants.....   | 1    |
| Combined Statement of Cash Receipts, Cash Disbursements, and<br>Changes in Fund Cash Balances – All Governmental Fund Types –<br>For the Year Ended December 31, 2001 .....                      | 4    |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in<br>Fund Cash Balances – All Proprietary and Similar Fiduciary Fund Types –<br>For the Year Ended December 31, 2001 ..... | 7    |
| Combined Statement of Cash Receipts, Cash Disbursements, and<br>Changes in Fund Cash Balances – All Governmental Fund Types –<br>For the Year Ended December 31, 2000 .....                      | 8    |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in<br>Fund Cash Balances – All Proprietary and Similar Fiduciary Fund Types –<br>For the Year Ended December 31, 2000 ..... | 11   |
| Notes to the Financial Statements .....  | 13   |
| Report of Independent Accountants on Compliance and on Internal Control<br>Required by <i>Government Auditing Standards</i> .....  | 19   |
| Schedule of Findings.....  | 21   |
| Schedule of Prior Audit Findings.....  | 22   |

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center  
Suite 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Weston  
Wood County  
13234 Main Street  
P.O. Box 354  
Weston, Ohio 43569-0354

To the Village Council:

We have audited the accompanying financial statements of the Village of Weston (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 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 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 June 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 audit.

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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

June 27, 2002

**This page intentionally left blank.**

**VILLAGE OF WESTON  
WOOD COUNTY**

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

|  | <b>Governmental Fund Types</b> |                            |
|--|--------------------------------|----------------------------|
|  | <b>General</b>                 | <b>Special<br/>Revenue</b> |
| <b>Cash Receipts:</b>  |                                |                            |
| Property Tax and Other Local Taxes   | \$273,681                      | \$18,901                   |
| Special Assessments  |                                | 10,900                     |
| Intergovernmental Receipts   | 39,454                         | 69,095                     |
| Charges for Services   | 12,000                         | 68,623                     |
| Fines, Licenses, and Permits   | 8,204                          |                            |
| Earnings on Investments  | 37,802                         | 1,142                      |
| Miscellaneous  | 152,705                        |                            |
| Total Cash Receipts  | 523,846                        | 168,661                    |
| <b>Cash Disbursements:</b>   |                                |                            |
| Current:   |                                |                            |
| Security of Persons and Property   | 82,155                         |                            |
| Public Health Services   | 570                            | 89,505                     |
| Leisure Time Activities  | 17,571                         |                            |
| Community Environment  | 333                            |                            |
| Basic Utility Services   | 3,936                          | 9,701                      |
| Transportation   |                                | 81,688                     |
| General Government   | 160,776                        | 473                        |
| Debt Service:  |                                |                            |
| Principal Payments   |                                |                            |
| Interest Payments  |                                |                            |
| Capital Outlay   | 69,475                         |                            |
| Total Cash Disbursements   | 334,816                        | 181,367                    |
| Total Receipts Over/(Under) Disbursements  | 189,030                        | (12,706)                   |
| <b>Other Financing Receipts and (Disbursements):</b>   |                                |                            |
| Sale of Bonds or Notes   |                                |                            |
| Transfers-In   |                                |                            |
| Advances-In  | 35,000                         |                            |
| Transfers-Out  | (62,033)                       |                            |
| Advances-Out   | (35,000)                       |                            |
| Total Other Financing Receipts/(Disbursements)   | (62,033)                       |                            |
| Excess of Cash Receipts and Other Financing<br>Receipts Over/(Under) Cash Disbursements<br>and Other Financing Disbursements | 126,997                        | (12,706)                   |
| Fund Cash Balances, January 1  | 482,594                        | 125,434                    |
| <b>Fund Cash Balances, December 31</b>   | <b>\$609,591</b>               | <b>\$112,728</b>           |
| Reserves for Encumbrances, December 31   |                                |                            |

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



| <u>Governmental Fund Types</u> |                 | <u>Totals</u>      |
|--------------------------------|-----------------|--------------------|
| <u>Debt</u>                    | <u>Capital</u>  | <u>(Memorandum</u> |
| <u>Service</u>                 | <u>Projects</u> | <u>Only)</u>       |
|                                |                 | \$292,582          |
|                                |                 | 10,900             |
|                                | \$14,143        | 122,692            |
|                                |                 | 80,623             |
|                                |                 | 8,204              |
|                                |                 | 38,944             |
|                                |                 | 152,705            |
|                                |                 | <hr/>              |
|                                | 14,143          | 706,650            |
|                                |                 | <hr/>              |
|                                |                 | 82,155             |
|                                |                 | 90,075             |
|                                |                 | 17,571             |
|                                |                 | 333                |
|                                |                 | 13,637             |
|                                |                 | 81,688             |
|                                |                 | 161,249            |
| \$300,000                      |                 | 300,000            |
| 12,033                         |                 | 12,033             |
|                                | 14,143          | 83,618             |
|                                |                 | <hr/>              |
| 312,033                        | 14,143          | 842,359            |
|                                |                 | <hr/>              |
| (312,033)                      |                 | (135,709)          |
|                                |                 | <hr/>              |
| 250,000                        |                 | 250,000            |
| 62,033                         |                 | 62,033             |
|                                |                 | 35,000             |
|                                |                 | (62,033)           |
|                                |                 | (35,000)           |
|                                |                 | <hr/>              |
| 312,033                        |                 | 250,000            |
|                                |                 | <hr/>              |
|                                |                 | 114,291            |
|                                |                 | <hr/>              |
|                                |                 | 608,028            |
|                                |                 | <hr/>              |
|                                |                 | <b>\$722,319</b>   |
|                                |                 | <hr/> <hr/>        |
|                                |                 | <hr/> <hr/>        |

**This page intentionally left blank.**

**VILLAGE OF WESTON  
WOOD COUNTY**

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

|  | <u>Proprietary<br/>Fund Types</u> | <u>Fiduciary<br/>Fund Types</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|-----------------------------------|---------------------------------|---|
|  | <u>Enterprise</u>                 | <u>Nonexpendable<br/>Trust</u>  |   |
| <b>Operating Cash Receipts:</b>  |                                   |                                 |   |
| Charges for Services   | \$497,702                         |                                 | \$497,702                               |
| Interest (Trust Funds Only)  |                                   | \$1,444                         | 1,444                                   |
| Miscellaneous  | 536                               |                                 | 536                                     |
|  | <hr/>                             |                                 | <hr/>                                   |
| Total Operating Cash Receipts  | 498,238                           | 1,444                           | 499,682                                 |
|  | <hr/>                             |                                 | <hr/>                                   |
| <b>Operating Cash Disbursements:</b>   |                                   |                                 |   |
| Personal Services  | 113,520                           |                                 | 113,520                                 |
| Contractual Services   | 236,560                           |                                 | 236,560                                 |
| Supplies and Materials   | 26,391                            | 840                             | 27,231                                  |
| Capital Outlay   | 1,000                             |                                 | 1,000                                   |
|  | <hr/>                             |                                 | <hr/>                                   |
| Total Operating Cash Disbursements   | 377,471                           | 840                             | 378,311                                 |
|  | <hr/>                             |                                 | <hr/>                                   |
| Operating Income   | 120,767                           | 604                             | 121,371                                 |
|  | <hr/>                             |                                 | <hr/>                                   |
| <b>Non-Operating Cash Receipts:</b>  |                                   |                                 |   |
| Intergovernmental Receipts   | 16,072                            |                                 | 16,072                                  |
|  | <hr/>                             |                                 | <hr/>                                   |
| <b>Non-Operating Cash Disbursements:</b>   |                                   |                                 |   |
| Debt Service   | 65,296                            |                                 | 65,296                                  |
| Other Non-Operating Cash Disbursements   | 16,072                            |                                 | 16,072                                  |
|  | <hr/>                             |                                 | <hr/>                                   |
| Total Non-Operating Cash Disbursements   | 81,368                            |                                 | 81,368                                  |
|  | <hr/>                             |                                 | <hr/>                                   |
| Excess of Receipts Over/(Under) Disbursements<br>Before Interfund Transfers and Advances | 55,471                            | 604                             | 56,075                                  |
|  | <hr/>                             |                                 | <hr/>                                   |
| Advances-In  | 35,000                            |                                 | 35,000                                  |
| Advances-Out   | (35,000)                          |                                 | (35,000)                                |
|  | <hr/>                             |                                 | <hr/>                                   |
| Net Receipts Over/(Under) Disbursements  | 55,471                            | 604                             | 56,075                                  |
|  | <hr/>                             |                                 | <hr/>                                   |
| Fund Cash Balances, January 1  | 40,932                            | 29,493                          | 70,425                                  |
|  | <hr/>                             |                                 | <hr/>                                   |
| <b>Fund Cash Balances, December 31</b>   | <b><u>\$96,403</u></b>            | <b><u>\$30,097</u></b>          | <b><u>\$126,500</u></b>                 |
|  | <hr/>                             |                                 | <hr/>                                   |
| Reserve for Encumbrances, December 31  |                                   |                                 |   |
|  | <hr/>                             |                                 | <hr/>                                   |

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

**VILLAGE OF WESTON  
WOOD 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**

|  | <b>Governmental Fund Types</b> |                            |
|--|--------------------------------|----------------------------|
|  | <b>General</b>                 | <b>Special<br/>Revenue</b> |
| <b>Cash Receipts:</b>  |                                |                            |
| Property Tax and Other Local Taxes   | \$267,731                      | \$9,950                    |
| Special Assessments  |                                | 11,240                     |
| Intergovernmental Receipts   | 44,486                         | 64,303                     |
| Charges for Services   | 15,000                         | 74,026                     |
| Fines, Licenses, and Permits   | 22,364                         |                            |
| Earnings on Investments  | 34,154                         | 85                         |
| Miscellaneous  | 14,913                         | 20,339                     |
|  | <u>398,648</u>                 | <u>179,943</u>             |
| <b>Total Cash Receipts</b>   |                                |                            |
| <b>Cash Disbursements:</b>   |                                |                            |
| Current:   |                                |                            |
| Security of Persons and Property   | 85,372                         |                            |
| Public Health Services   | 519                            | 69,442                     |
| Leisure Time Activities  | 10,031                         |                            |
| Community Environment  | 846                            |                            |
| Basic Utility Services   | 2,916                          | 9,655                      |
| Transportation   |                                | 65,144                     |
| General Government   | 122,606                        | 334                        |
| Debt Service:  |                                |                            |
| Principal Payments   |                                |                            |
| Interest Payments  |                                |                            |
| Capital Outlay   | 7,442                          |                            |
|  | <u>229,732</u>                 | <u>144,575</u>             |
| <b>Total Cash Disbursements</b>  |                                |                            |
| <b>Total Receipts Over/(Under) Disbursements</b>   | <u>168,916</u>                 | <u>35,368</u>              |
| <b>Other Financing Receipts and (Disbursements):</b>   |                                |                            |
| Sale of Bonds or Notes   |                                |                            |
| Transfers-In   |                                |                            |
| Advances-In  | 20,000                         |                            |
| Transfers-Out  | (120,510)                      |                            |
| Advances-Out   | (20,000)                       |                            |
|  | <u>(120,510)</u>               |                            |
| <b>Total Other Financing Receipts/(Disbursements)</b>  |                                |                            |
| Excess of Cash Receipts and Other Financing<br>Receipts Over/(Under) Cash Disbursements<br>and Other Financing Disbursements | 48,406                         | 35,368                     |
| Fund Cash Balances, January 1  | 434,188                        | 90,066                     |
| <b>Fund Cash Balances, December 31</b>   | <u><b>\$482,594</b></u>        | <u><b>\$125,434</b></u>    |
| Reserves for Encumbrances, December 31   | <u>\$26,119</u>                |                            |

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

| <u>Governmental Fund Types</u> |                 | <u>Totals</u>      |
|--------------------------------|-----------------|--------------------|
| <u>Debt</u>                    | <u>Capital</u>  | <u>(Memorandum</u> |
| <u>Service</u>                 | <u>Projects</u> | <u>Only)</u>       |
|                                |                 | \$277,681          |
|                                |                 | 11,240             |
|                                | \$9,965         | 118,754            |
|                                |                 | 89,026             |
|                                |                 | 22,364             |
|                                |                 | 34,239             |
|                                |                 | 35,252             |
|                                |                 | <hr/>              |
|                                | 9,965           | 588,556            |
|                                |                 | <hr/>              |
|                                |                 | 85,372             |
|                                |                 | 69,961             |
|                                |                 | 10,031             |
|                                |                 | 846                |
|                                |                 | 12,571             |
|                                |                 | 65,144             |
|                                |                 | 122,940            |
| \$350,000                      |                 | 350,000            |
| 14,233                         |                 | 14,233             |
|                                | 66,242          | 73,684             |
|                                |                 | <hr/>              |
| 364,233                        | 66,242          | 804,782            |
|                                |                 | <hr/>              |
| (364,233)                      | (56,277)        | (216,226)          |
|                                |                 | <hr/>              |
| 300,000                        |                 | 300,000            |
| 64,233                         | 56,277          | 120,510            |
|                                |                 | 20,000             |
|                                |                 | (120,510)          |
|                                |                 | (20,000)           |
|                                |                 | <hr/>              |
| 364,233                        | 56,277          | 300,000            |
|                                |                 | <hr/>              |
|                                |                 | 83,774             |
|                                |                 | <hr/>              |
|                                |                 | 524,254            |
|                                |                 | <hr/>              |
|                                |                 | <b>\$608,028</b>   |
|                                |                 | <hr/>              |
|                                |                 | <b>\$26,119</b>    |
|                                |                 | <hr/>              |

**This page intentionally left blank.**

**VILLAGE OF WESTON  
WOOD COUNTY**

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

|  | <u>Proprietary<br/>Fund Types</u> | <u>Fiduciary<br/>Fund Types</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|-----------------------------------|---------------------------------|---|
|  | <u>Enterprise</u>                 | <u>Nonexpendable<br/>Trust</u>  |   |
| <b>Operating Cash Receipts:</b>  |                                   |                                 |   |
| Charges for Services   | \$457,043                         |                                 | \$457,043                               |
| Interest (Trust Funds Only)  |                                   | \$1,600                         | \$1,600                                 |
| Miscellaneous  |                                   | 370                             | 370                                     |
|  | <u>457,043</u>                    | <u>1,970</u>                    | <u>459,013</u>                          |
| <b>Total Operating Cash Receipts</b>   | <u>457,043</u>                    | <u>1,970</u>                    | <u>459,013</u>                          |
| <b>Operating Cash Disbursements:</b>   |                                   |                                 |   |
| Personal Services  | 113,837                           |                                 | 113,837                                 |
| Contractual Services   | 180,283                           |                                 | 180,283                                 |
| Supplies and Materials   | 43,487                            | 710                             | 44,197                                  |
| Capital Outlay   | 3,000                             | 3,760                           | 6,760                                   |
|  | <u>340,607</u>                    | <u>4,470</u>                    | <u>345,077</u>                          |
| <b>Total Operating Cash Disbursements</b>  | <u>340,607</u>                    | <u>4,470</u>                    | <u>345,077</u>                          |
| Operating Income/(Loss)  | <u>116,436</u>                    | <u>(2,500)</u>                  | <u>113,936</u>                          |
| <b>Non-Operating Cash Disbursements:</b>   |                                   |                                 |   |
| Debt Service   | 131,217                           |                                 | 131,217                                 |
| Excess of Receipts Over/(Under) Disbursements<br>Before Interfund Transfers and Advances | (14,781)                          | (2,500)                         | (17,281)                                |
| Advances-In  | 20,000                            |                                 | 20,000                                  |
| Advances-Out   | <u>(20,000)</u>                   |                                 | <u>(20,000)</u>                         |
| Net Receipts Over/(Under) Disbursements  | (14,781)                          | (2,500)                         | (17,281)                                |
| Fund Cash Balances, January 1  | <u>55,713</u>                     | <u>31,993</u>                   | <u>87,706</u>                           |
| <b>Fund Cash Balances, December 31</b>   | <u><b>\$40,932</b></u>            | <u><b>\$29,493</b></u>          | <u><b>\$70,425</b></u>                  |
| Reserve for Encumbrances, December 31  |                                   |                                 |   |

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

**This page intentionally left blank.**



**VILLAGE OF WESTON  
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 Weston (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 fire services. The Village contracts with the Wood County Sheriff's department to provide security of persons and property.

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**

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 Fund**

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.

*EMS Fund* - This fund receives charges for services revenue to fund emergency management services.

**VILLAGE OF WESTON  
WOOD COUNTY**

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

**3. Debt Service Fund**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village utilizes this fund to account for the payment of the bond anticipation notes.

**4. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

*Center Street Project Fund* - This fund receives proceeds of bond anticipation notes. The proceeds were used to resurface Center Street.

*Treatment Plant Improvement* - This fund receives proceeds of the OPWC. The proceeds were used to make improvements at the Treatment Plant.

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

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

**6. Fiduciary Fund (Trust Fund)**

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. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had a Cemetery Trust Fund that was classified as a nonexpendable trust fund. Interest from the trust is used for the maintenance of the cemetery.

**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.

**VILLAGE OF WESTON  
WOOD COUNTY**

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

**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.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick 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 and investments 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:

|                         | <u>2001</u>      | <u>2000</u>      |
|-------------------------|------------------|------------------|
| Demand deposits         | \$223,244        | \$76,955         |
| Certificates of deposit | 625,575          | 601,498          |
| Total deposits          | <u>\$848,819</u> | <u>\$678,453</u> |

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 ending December 31, 2001 and December 31, 2000 follows:

**VILLAGE OF WESTON  
WOOD COUNTY**

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

2001 Budgeted vs. Actual Receipts

| Fund Type        | Budgeted<br>Receipts | Actual<br>Receipts | Variance          |
|------------------|----------------------|--------------------|-------------------|
| General          | \$346,989            | \$523,846          | \$176,857         |
| Special Revenue  | 153,566              | 168,661            | 15,095            |
| Debt Service     | 312,033              | 312,033            |                   |
| Capital Projects | 254,000              | 14,143             | (239,857)         |
| Enterprise       | 544,000              | 514,310            | (29,690)          |
| Fiduciary        | 1,913                | 1,444              | (469)             |
| <b>Total</b>     | <b>\$1,612,501</b>   | <b>\$1,534,437</b> | <b>(\$78,064)</b> |

2001 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type        | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance         |
|------------------|----------------------------|---------------------------|------------------|
| General          | \$798,142                  | \$396,849                 | \$401,293        |
| Special Revenue  | 194,000                    | 181,367                   | 12,633           |
| Debt Service     | 312,034                    | 312,033                   | 1                |
| Capital Projects | 204,000                    | 14,143                    | 189,857          |
| Enterprise       | 553,000                    | 458,839                   | 94,161           |
| Fiduciary        | 4,000                      | 840                       | 3,160            |
| <b>Total</b>     | <b>\$2,065,176</b>         | <b>\$1,364,071</b>        | <b>\$701,105</b> |

2000 Budgeted vs. Actual Receipts

| Fund Type        | Budgeted<br>Receipts | Actual<br>Receipts | Variance           |
|------------------|----------------------|--------------------|--------------------|
| General          | \$315,652            | \$398,648          | \$82,996           |
| Special Revenue  | 124,769              | 179,943            | 55,174             |
| Debt Service     | 364,233              | 364,233            |                    |
| Capital Projects | 264,000              | 66,242             | (197,758)          |
| Enterprise       | 514,000              | 457,043            | (56,957)           |
| Fiduciary        | 1,100                | 1,970              | 870                |
| <b>Total</b>     | <b>\$1,583,754</b>   | <b>\$1,468,079</b> | <b>(\$115,675)</b> |

2000 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type        | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance         |
|------------------|----------------------------|---------------------------|------------------|
| General          | \$716,002                  | \$376,361                 | \$339,641        |
| Special Revenue  | 180,000                    | 144,575                   | 35,425           |
| Debt Service     | 364,233                    | 364,233                   |                  |
| Capital Projects | 271,556                    | 66,242                    | 205,314          |
| Enterprise       | 552,000                    | 471,824                   | 80,176           |
| Fiduciary        | 5,000                      | 4,470                     | 530              |
| <b>Total</b>     | <b>\$2,088,791</b>         | <b>\$1,427,705</b>        | <b>\$661,086</b> |

The Village did not always certify the availability of funds as required by the Ohio Revised Code.

**VILLAGE OF WESTON  
WOOD COUNTY**

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

**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.

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. LOCAL INCOME TAX**

The Village levies a municipal income tax of 1percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**6. DEBT**

Debt outstanding at December 31, 2001 was as follows:

|                                       | <u>Principal</u>   | <u>Interest Rate</u> |
|---------------------------------------|--------------------|----------------------|
| Ohio Water Development Authority Loan | \$707,642          | 2%                   |
| Ohio Water Development Authority Loan | 356,821            | 12%                  |
| Ohio Water Development Authority Loan | 625                | 0%                   |
| Bond Anticipation Note                | <u>250,000</u>     | 4%                   |
| Total                                 | <u>\$1,315,088</u> |                      |

The Ohio Water Development Authority (OWDA) loans relates to (1) the construction of a water main, booster pumping station, metering facilities, (2) a wastewater treatment plant improvement, and (3) the construction of a water supply system. The OWDA has approved up to \$1,595,010 in loans to the Village for these projects. The loans (1) and (2) will be repaid in semiannual installments of \$24,165 and \$41,132, respectively, including interest, over 25 years. Loan (3) will be repaid in annual installments of \$625 over 6 years.

The Bond Anticipation Note (BAN) was used to finance the repaving of Center Street. The BAN was originally issued in 1998 for \$400,000 and has been repaid at \$50,000 plus interest each year and in 2001 it was rolled over at \$250,000. The note will be repaid with general operating revenue. Amortization of the above debt, including interest, is scheduled as follows:

**VILLAGE OF WESTON  
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: | OWDA<br>Loan       | Bond<br>Anticipation<br>Note |
|--------------------------|--------------------|------------------------------|
| 2002                     | \$131,217          | \$260,000                    |
| 2003                     | 130,592            |                              |
| 2004                     | 130,592            |                              |
| 2005                     | 130,592            |                              |
| 2006                     | 130,592            |                              |
| Subsequent               | 727,510            |                              |
| <b>Total</b>             | <b>\$1,381,095</b> | <b>\$260,000</b>             |

**7. RETIREMENT SYSTEMS**

All Village employees, except the Assistant Fire Chief, 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. The Assistant Fire Chief elected to enroll in Social Security.

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

**8. RISK MANAGEMENT**

**Risk Pool Membership**

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. Pursuant to § 2744.081 of the Ohio Revised Code, the Pool is deemed a separate legal entity. The Pool provides a program of property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

Casualty excess-of-loss contracts at December 31, 2000 and 1999 generally protect against individual losses over \$150,000 (\$100,000 for policies issued after March 31, 2000).

Property coverage contracts protect against losses, subject to a deductible of \$50,000 per occurrence, limited to an annual aggregate loss of greater of \$300,000 or 1% of total coverage.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained (deficit) earnings at December 31:

|                             | <u>2000</u>        | <u>1999</u>      |
|-----------------------------|--------------------|------------------|
| Assets                      | \$2,958,827        | \$4,151,450      |
| Liabilities                 | 3,863,373          | 3,461,914        |
| Retained (deficit) earnings | <u>(\$904,546)</u> | <u>\$689,536</u> |



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center  
Suite 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

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

Village of Weston  
Wood County  
13234 Main Street  
P.O. Box 354  
Weston, Ohio 43569-0354

To the Village Council:

We have audited the accompanying financial statements of the Village of Weston (the Village) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 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 the following instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 2001-30187-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 27, 2002.

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

Village of Weston  
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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

June 27, 2002



**VILLAGE OF WESTON  
WOOD COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000**

|  |
|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|--|

**FINDING NUMBER 2001-30187-001**

**Noncompliance Citation**

Ohio Revised Code § 5705.14 (D) states that no subdivision shall make any contract or order any expenditure of money unless there is a certificate of the fiscal officer attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of the appropriate fund and is free from any previous encumbrances. Further, the contracts and orders for expenditures lacking prior certification should be considered null and void.

This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate - if no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the purchase order or contract at the time of the certificate, appropriated and free of any previous encumbrance, the Village Council may authorize the issuance of a check in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
  
- B. If the amount involved is less than \$1,000, the fiscal officer may authorize it to be paid without the affirmation of the Village Council, is such expenditure is other wise valid.

For sixty two percent of the expenditures tested, prior certification of the clerk-treasurer was not obtained nor was a then and now certificate utilized.

We recommend the Village include a certificate of the fiscal officer when any expenditure is made. If prior certification is not feasible, we recommend the Clerk/Treasurer utilize the "Then and Now Certificates".

**VILLAGE OF WESTON  
WOOD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000**

| Finding Number | Finding Summary  | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b> |
|----------------|--|------------------|--|
| 1999-30187-001 | Ohio Revised Code § 5705.41 (D), requires certification of funds                           | No               | Reissued as Finding 2001-30187-001   |
| 1999-30187-002 | Ohio Administrative Code § 117-5-11 (C), requires the encumbrance method of accounting     | Yes              |  |
| 1999-30187-003 | Ohio Revised Code Section 5705.41 (B), not to expend money unless it has been appropriated | Yes              |  |



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

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 WESTON**

**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  
AUGUST 15, 2002**