



**VILLAGE OF WHITEHOUSE
LUCAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF WHITEHOUSE
LUCAS COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types – For the Year Ended December 31, 2000	4
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	7
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types – For the Year Ended December 31, 1999	8
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, 1999	11
Notes to the Financial Statements	13
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	21

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Whitehouse
Lucas County
6655 Providence Street
P.O. 2476
Whitehouse, Ohio 43571-0476

To the Village Council:

We have audited the accompanying financial statements of the Village of Whitehouse, Lucas County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 1999. 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 audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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, 2000 and 1999, 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 May 23, 2001 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 finance committee, management, Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 23, 2001

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**VILLAGE OF WHITEHOUSE
LUCAS COUNTY**

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

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
Cash Receipts:		
Property Tax and Other Local Taxes	\$180,192	
Special Assessments		
Intergovernmental Receipts	368,200	\$733,263
Charges for Services	97,979	850
Fines, Licenses, and Permits	46,396	9,950
Earnings on Investments	184,731	23,292
Miscellaneous	41,280	10,404
Total Cash Receipts	<u>918,778</u>	<u>777,759</u>
Cash Disbursements:		
Current:		
Security of Persons and Property	576,456	678,517
Public Health Services	11,862	
Leisure Time Activities	21,645	
Community Environment	32,020	
Basic Utility Services	122,894	
Transportation		84,999
General Government	334,206	
Debt Service:		
Principal Payments		9,479
Interest Payments		
Capital Outlay	135,104	106,709
Total Cash Disbursements	<u>1,234,187</u>	<u>879,704</u>
Total Receipts Over/(Under) Disbursements	<u>(315,409)</u>	<u>(101,945)</u>
Other Financing Receipts/(Disbursements):		
Sale of Bonds or Notes		
Transfers-In	383,326	61,000
Transfers-Out	(86,000)	(7,000)
Total Other Financing Receipts/(Disbursements)	<u>297,326</u>	<u>54,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(18,083)	(47,945)
Fund Cash Balances, January 1	<u>79,719</u>	<u>502,708</u>
Fund Cash Balances, December 31	<u>\$61,636</u>	<u>\$454,763</u>
Reserves for Encumbrances, December 31	<u>\$53,956</u>	<u>\$2,838</u>

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

<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
		\$1,199,586	\$1,379,778
\$113,199			113,199
	\$105,208	87,200	1,293,871
			98,829
			56,346
			208,023
	28,820	198,236	278,740
<u>113,199</u>	<u>134,028</u>	<u>1,485,022</u>	<u>3,428,786</u>
			1,254,973
			11,862
	7,690		29,335
			32,020
	55,806		178,700
	19,532		104,531
		69,072	403,278
603,659			613,138
21,482			21,482
	384,110	995	626,918
<u>625,141</u>	<u>467,138</u>	<u>70,067</u>	<u>3,276,237</u>
<u>(511,942)</u>	<u>(333,110)</u>	<u>1,414,955</u>	<u>152,549</u>
400,586			400,586
110,000	690,767	47,922	1,293,015
	(47,922)	(1,220,903)	(1,361,825)
<u>510,586</u>	<u>642,845</u>	<u>(1,172,981)</u>	<u>331,776</u>
(1,356)	309,735	241,974	484,325
21,958	1,031,119	917,572	2,553,076
<u>\$20,602</u>	<u>\$1,340,854</u>	<u>\$1,159,546</u>	<u>\$3,037,401</u>
	<u>\$98,648</u>	<u>\$330</u>	<u>\$155,772</u>

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**VILLAGE OF WHITEHOUSE
LUCAS 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 Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$446,466	\$884	\$447,350
Operating Cash Disbursements:			
Personal Services	179,892		179,892
Travel Transportation	221		221
Contractual Services	149,133		149,133
Supplies and Materials	35,080		35,080
Capital Outlay	23,933		23,933
Total Operating Cash Disbursements	388,259		388,259
Operating Income	58,207	884	59,091
Non-Operating Cash Disbursements:			
Debt Service	94,877		94,877
Other Non-Operating Cash Disbursements	339	827	1,166
Total Non-Operating Cash Disbursements	95,216	827	96,043
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(37,009)	57	(36,952)
Transfers-In	68,810		68,810
Net Receipts Over Disbursements	31,801	57	31,858
Fund Cash Balances, January 1	464,354	91	464,445
Fund Cash Balances, December 31	\$496,155	\$148	\$496,303
Reserve for Encumbrances, December 31	\$5,504		\$5,504

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

**VILLAGE OF WHITEHOUSE
LUCAS COUNTY**

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

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
Cash Receipts:		
Property Tax and Other Local Taxes	\$187,830	
Special Assessments		
Intergovernmental Receipts	373,904	\$680,611
Charges for Services	61,683	550
Fines, Licenses, and Permits	30,531	50
Earnings on Investments	150,445	15,478
Miscellaneous	27,027	2,314
Total Cash Receipts	<u>831,420</u>	<u>699,003</u>
Cash Disbursements:		
Current:		
Security of Persons and Property	552,319	611,931
Public Health Services	13,238	
Leisure Time Activities	19,383	
Community Environment	20,570	
Basic Utility Services	113,724	
Transportation		95,814
General Government	331,352	
Debt Service:		
Principal Payments		9,479
Capital Outlay	59,544	6,919
Total Cash Disbursements	<u>1,110,130</u>	<u>724,143</u>
Total Receipts Over/(Under) Disbursements	<u>(278,710)</u>	<u>(25,140)</u>
Other Financing Receipts/(Disbursements):		
Sale of Bonds or Notes		
Transfers-In	381,439	133,000
Transfers-Out	(83,000)	(7,000)
Total Other Financing Receipts/(Disbursements)	<u>298,439</u>	<u>126,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	19,729	100,860
Fund Cash Balances, January 1	<u>59,990</u>	<u>401,848</u>
Fund Cash Balances, December 31	<u>\$79,719</u>	<u>\$502,708</u>
Reserves for Encumbrances, December 31	<u>\$68,488</u>	<u>\$82,405</u>

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

<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
		\$1,188,068	\$1,375,898
\$43,688			43,688
	\$74,404		1,128,919
			62,233
			30,581
			165,923
	43,511	18,248	91,100
<u>43,688</u>	<u>117,915</u>	<u>1,206,316</u>	<u>2,898,342</u>
	2,314		1,166,564
			13,238
	7,549		26,932
			20,570
	25,665		139,389
	45,100		140,914
		60,711	392,063
163,073			172,552
	716,676	6,685	789,824
<u>163,073</u>	<u>797,304</u>	<u>67,396</u>	<u>2,862,046</u>
<u>(119,385)</u>	<u>(679,389)</u>	<u>1,138,920</u>	<u>36,296</u>
4,677			4,677
125,300	623,332	105,245	1,368,316
	(105,245)	(1,240,691)	(1,435,936)
<u>129,977</u>	<u>518,087</u>	<u>(1,135,446)</u>	<u>(62,943)</u>
10,592	(161,302)	3,474	(26,647)
11,366	1,192,421	914,098	2,579,723
<u>\$21,958</u>	<u>\$1,031,119</u>	<u>\$917,572</u>	<u>\$2,553,076</u>
	\$122,647	\$519	\$274,059

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**VILLAGE OF WHITEHOUSE
LUCAS 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, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$429,139	\$2,105	\$431,244
Operating Cash Disbursements:			
Personal Services	166,134		166,134
Travel Transportation	267		267
Contractual Services	153,792		153,792
Supplies and Materials	43,597		43,597
Capital Outlay	46,146		46,146
Total Operating Cash Disbursements	409,936		409,936
Operating Income	19,203	2,105	21,308
Non-Operating Cash Disbursements:			
Debt Service	94,877		94,877
Other Non-Operating Cash Disbursements	159	1,324	1,483
Total Non-Operating Cash Disbursements	95,036	1,324	96,360
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(75,833)	781	(75,052)
Transfers-In	68,810		68,810
Transfers-Out		(1,190)	(1,190)
Net Disbursements Over Receipts	(7,023)	(409)	(7,432)
Fund Cash Balances, January 1	471,377	500	471,877
Fund Cash Balances, December 31	<u>\$464,354</u>	<u>\$91</u>	<u>\$464,445</u>
Reserve for Encumbrances, December 31	<u>\$10,887</u>		<u>\$10,887</u>

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

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**VILLAGE OF WHITEHOUSE
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer. The Village's Special Assessment bonds are investments in its own debt and overnight repurchase agreements are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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:

**VILLAGE OF WHITEHOUSE
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

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

Life Squad Fund - This fund receives contract revenues from Lucas County, for life squad services provided by the Village.

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service funds:

Bond Retirement Special Assessment Fund - This fund receives tax assessments from property owners for the retirement of sewer improvement bonds.

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:

Street Capital Project Fund - This fund receives federal and state financial assistance for constructing, maintaining and repairing Village streets.

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 Funds (Trust and Agency Funds)

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

Local Income Tax Expendable Trust Fund - This fund receives local income taxes for general fund operations and capital projects.

**VILLAGE OF WHITEHOUSE
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

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 level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH 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:

**VILLAGE OF WHITEHOUSE
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

	<u>2000</u>	<u>1999</u>
Demand deposits	\$38,667	\$42,602
Special Assessment Bonds	215,748	128,034
STAR Ohio	<u>3,279,289</u>	<u>2,846,885</u>
Total investments	<u>3,495,037</u>	<u>2,974,919</u>
Total deposits and investments	<u><u>\$3,533,704</u></u>	<u><u>\$3,017,521</u></u>

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

Investments: Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form. The Village's investment in its own debt is valued at cost.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,727,350	\$1,302,104	(\$425,246)
Special Revenue	852,375	838,759	(13,616)
Debt Service	626,617	623,785	(2,832)
Capital Projects	983,825	824,795	(159,030)
Enterprise	511,810	515,276	3,466
Fiduciary	<u>1,612,500</u>	<u>1,533,828</u>	<u>(78,672)</u>
Total	<u><u>\$6,314,477</u></u>	<u><u>\$5,638,547</u></u>	<u><u>(\$675,930)</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,574,688	\$1,374,143	\$200,545
Special Revenue	1,194,365	889,542	304,823
Debt Service	628,917	625,141	3,776
Capital Projects	1,434,444	613,708	820,736
Enterprise	631,198	488,979	142,219
Fiduciary	<u>1,289,446</u>	<u>1,292,127</u>	<u>(2,681)</u>
Total	<u><u>\$6,753,058</u></u>	<u><u>\$5,283,640</u></u>	<u><u>\$1,469,418</u></u>

**VILLAGE OF WHITEHOUSE
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,494,800	\$1,212,859	(\$281,941)
Special Revenue	853,980	832,003	(21,977)
Debt Service	173,750	173,665	(85)
Capital Projects	1,186,550	741,247	(445,303)
Enterprise	506,160	497,949	(8,211)
Fiduciary	1,318,800	1,313,666	(5,134)
Total	<u>\$5,534,040</u>	<u>\$4,771,389</u>	<u>(\$762,651)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,465,693	\$1,261,618	\$204,075
Special Revenue	1,074,061	813,548	260,513
Debt Service	165,175	163,073	2,102
Capital Projects	2,078,863	1,025,196	1,053,667
Enterprise	651,838	515,859	135,979
Fiduciary	1,379,369	1,310,601	68,768
Total	<u>\$6,814,999</u>	<u>\$5,089,895</u>	<u>\$1,725,104</u>

4. PROPERTY TAX

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

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

**VILLAGE OF WHITEHOUSE
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$545,946	8.31%
General Obligation Bonds	100,000	5.10%
Special Assessment Bonds	215,748	3.5 to 7.0%
Ohio Public Works Commission Loans	118,695	0%
Maumee River Wastewater Treatment Plant	241,685	0%
Total	\$1,222,074	

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer utility construction projects. The OWDA has approved up to \$715,478 in loans to the Village for these projects. The loans will be repaid in semiannual installments of \$34,404, including interest, over 25 years. The scheduled payment amount below assumes that \$715,478 will be borrowed. The scheduled payments will be adjusted to reflect any revisions in amounts actually borrowed. The loan is collateralized by water and sewer receipts. The Village's Income Tax have been pledged to repay OWDA debt service requirements.

Outstanding General Obligation Bonds relate to bonds issued for the construction of an addition to the Village fire station.

Ohio Public Works Commission loans are for the Industrial Parkway facilities and a water main replacement project payable from the sewer fee assessments.

Outstanding Special Assessment Bonds consist of sewer improvement issues which are payable from the proceeds of tax assessments against individual property owners. The Village invested in its own bonds.

The Village has entered into an agreement with Lucas County to pay for a portion of the usage capacity of the Maumee River Wastewater Treatment Plant. Payments are to be made from the proceeds of tax assessments against individual property owners.

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

Year Ending December 31:	OWDA Loan	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Maumee River Wastewater Treatment Plant
2001	\$68,809	\$102,550	\$49,469	\$18,833	\$16,714
2002	68,809		45,940	18,833	16,714
2003	68,809		19,566	18,833	16,714
2004	68,809		18,905	18,833	16,714
2005	68,809		18,245	18,833	16,714
Subsequent	584,876		161,763	24,530	393,418
Total	\$928,921	\$102,550	\$313,888	\$118,695	\$476,988

**VILLAGE OF WHITEHOUSE
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

6. RETIREMENT SYSTEMS

The Village's law enforcement officers and firefighters belong to the Ohio Police and Fire Pension Fund (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of OP&F contributed 10% of their wages to the OP&F. The Village contributed an amount equal to 19.5% for law enforcement officers and 24% for firefighters of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. The Village has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

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

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Village of Whitehouse
Lucas County
6655 Providence Street
P.O. 2476
Whitehouse, Ohio 43571-0476

To the Village Council:

We have audited the accompanying financial statements of the Village of Whitehouse, Lucas County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 23, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 23, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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.

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

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

Jim Petro
Auditor of State

May 23, 2001



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VILLAGE OF WHITEHOUSE

LUCAS 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
JUNE 19, 2001**