

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

*Financial Statements  
(Audited)*

For The Years Ended  
December 31, 2001 and 2000

**TONY WHITE, CLERK/TREASURER**





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Members of Council  
Village of South Vienna  
149 W. Main Street  
South Vienna, Ohio 45369

We have reviewed the Independent Auditor's Report of the Village of South Vienna, Clark County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2000 through December 31, 2001. 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 South Vienna is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

June 20, 2002

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**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

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# TRIMBLE, JULIAN & GRUBE, INC.

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## Independent Auditor's Report

Members of Council and Mayor  
Village of South Vienna  
149 W. Main Street  
South Vienna, Ohio 45369

We have audited the accompanying financial statements of the Village of South Vienna, Clark County, Ohio (the "Village") as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Village of South Vienna'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 2, the Village of South Vienna prepares its financial statements on the basis of accounting prescribed or permitted by Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances and fund balances of the Village of South Vienna, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances for the years ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 11, 2002 on our consideration of the Village of South Vienna'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 Village of South Vienna's management 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.

Trimble, Julian & Grube, Inc.  
March 11, 2002

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES  
ALL FUND TYPES  
DECEMBER 31, 2001 AND 2000

	2001	2000
<u>Cash and Investments</u>		
Cash and Cash Equivalents	\$ 126,796	\$ 134,180
Investments	1,164,000	1,164,000
Total Cash and Investments	\$ 1,290,796	\$ 1,298,180
 <u>Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 83,763	\$ 105,759
Special Revenue Funds	90,909	81,496
Total Governmental Fund Types	174,672	187,255
 <u>Proprietary Fund Type:</u>		
Enterprise Funds	1,116,124	1,110,925
Total Fund Balances	\$ 1,290,796	\$ 1,298,180

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



**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

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

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Local taxes	\$ 15,718	\$ 7,923	\$ 23,641
Intergovernmental	7,331	16,436	23,767
Fines, licenses and permits	35,034	-	35,034
Rental	2,000	-	2,000
Interest	52,444	3,507	55,951
Reimbursement	5,849	-	5,849
Miscellaneous	<u>3,928</u>	<u>-</u>	<u>3,928</u>
Total cash receipts	<u>122,304</u>	<u>27,866</u>	<u>150,170</u>
Cash disbursements:			
Current:			
Security of persons and property	78,036	3,382	81,418
Public health services	55	3,212	3,267
Leisure time activities	10,588	-	10,588
Community environment	5,622	-	5,622
Transportation	-	11,859	11,859
General government	<u>47,532</u>	<u>-</u>	<u>47,532</u>
Total cash disbursements	<u>141,833</u>	<u>18,453</u>	<u>160,286</u>
Total cash receipts over/(under) cash disbursements	<u>(19,529)</u>	<u>9,413</u>	<u>(10,116)</u>
Other financing cash disbursements:			
Transfers-out	(1,500)	-	(1,500)
Other uses	<u>(967)</u>	<u>-</u>	<u>(967)</u>
Total other financing cash disbursements	<u>(2,467)</u>	<u>-</u>	<u>(2,467)</u>
Excess of cash receipts and other financing cash receipts over/(under) cash disbursements and other financing cash disbursements	(21,996)	9,413	(12,583)
Cash fund balances, January 1, 2001	<u>105,759</u>	<u>81,496</u>	<u>187,255</u>
Cash fund balances, December 31, 2001	<u>\$ 83,763</u>	<u>\$ 90,909</u>	<u>\$ 174,672</u>

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

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

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

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 480,831
Interest	405
Miscellaneous	255
Total operating cash receipts	481,491
Operating cash disbursements:	
Personal services	31,797
Employee fringe benefits	4,284
Contractual services	306,221
Supplies and materials	27,272
Capital outlay	61,797
Miscellaneous	2,076
Total operating cash disbursements	433,447
Operating income	48,044
Nonoperating cash receipts/(disbursements):	
Other local tax	3,014
Excise tax	(9,227)
Debt service:	
Principal retirement	(9,288)
Interest	(28,844)
Total nonoperating cash receipts/(disbursements)	(44,345)
Net of cash receipts over cash receipts/(disbursements) before interfund transfers	3,699
Transfers-in	30,367
Transfers-out	(28,867)
Total transfers	1,500
Net cash receipts over cash disbursements and interfund transfers	5,199
Cash fund balances, January 1, 2001	1,110,925
Cash fund balances, December 31, 2001	\$ 1,116,124

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

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND ENCUMBRANCES COMPARED WITH EXPENDITURE  
AUTHORITY - BUDGET AND ACTUAL -  
FOR THE YEAR ENDED DECEMBER 31, 2001**

Fund Types	Receipts				Disbursements					Variance Favorable (Unfavorable)		
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2001 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2001 Appropriations	Total	Actual 2001 Disbursements		Encumbrances Outstanding at 12/31/01	
Governmental:												
General	\$ 107,949	\$ 125,372	\$ 233,321	\$ 122,304	\$ (3,068)	\$ 1,723	\$ 239,822	\$ 241,545	\$ 144,300	\$ 2,576	\$ 146,876	\$ 94,669
Special Revenue	77,446	74,251	151,697	27,866	(46,385)	136	132,849	132,985	18,453	50	18,503	114,482
Proprietary:												
Enterprise	1,110,022	478,500	1,588,522	514,872	36,372	904	992,722	993,626	509,673	685	510,358	483,268
<b>Total (Memorandum Only)</b>	<b>\$ 1,295,417</b>	<b>\$ 678,123</b>	<b>\$ 1,973,540</b>	<b>\$ 665,042</b>	<b>\$ (13,081)</b>	<b>\$ 2,763</b>	<b>\$ 1,365,393</b>	<b>\$ 1,368,156</b>	<b>\$ 672,426</b>	<b>\$ 3,311</b>	<b>\$ 675,737</b>	<b>\$ 692,419</b>

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

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

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

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Local taxes	\$ 6,289	\$ 9,666	\$ 15,955
Intergovernmental	7,044	16,359	23,403
Fines, licenses and permits	19,433	-	19,433
Interest	62,416	1,543	63,959
Rental	4,000	-	4,000
Miscellaneous	<u>5,063</u>	<u>-</u>	<u>5,063</u>
Total cash receipts	<u>104,245</u>	<u>27,568</u>	<u>131,813</u>
Cash disbursements:			
Current:			
Security of persons and property	47,331	19,748	67,079
Public health services	-	2,700	2,700
Leisure time activities	5,332	-	5,332
Community environment	1,981	-	1,981
Transportation	-	6,269	6,269
General government	<u>60,567</u>	<u>-</u>	<u>60,567</u>
Total cash disbursements	<u>115,211</u>	<u>28,717</u>	<u>143,928</u>
Total cash receipts (under) cash disbursements	<u>(10,966)</u>	<u>(1,149)</u>	<u>(12,115)</u>
Other financing cash receipts/(disbursements):			
Transfers-in	52,000	-	52,000
Contingencies	(4,980)	-	(4,980)
Other sources	<u>-</u>	<u>493</u>	<u>493</u>
Total other financing cash receipts/(disbursements)	<u>47,020</u>	<u>493</u>	<u>47,513</u>
Excess of cash receipts and other financing cash receipts over/(under) cash disbursements and other financing cash disbursements	36,054	(656)	35,398
Cash fund balances, January 1, 2000	<u>69,705</u>	<u>82,152</u>	<u>151,857</u>
Cash fund balances, December 31, 2000	<u>\$ 105,759</u>	<u>\$ 81,496</u>	<u>\$ 187,255</u>

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

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

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

	Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Agency	
Operating cash receipts:			
Charges for services	\$ 460,147	\$ -	\$ 460,147
Interest	253	-	253
Total operating cash receipts	<u>460,400</u>	<u>-</u>	<u>460,400</u>
Operating cash disbursements:			
Personal services	26,859	-	26,859
Employee fringe benefits	3,143	-	3,143
Contractual services	255,266	-	255,266
Supplies and materials	13,129	-	13,129
Capital outlay	4,446	-	4,446
Miscellaneous	2,314	-	2,314
Total operating cash disbursements	<u>305,157</u>	<u>-</u>	<u>305,157</u>
Operating income	<u>155,243</u>	<u>-</u>	<u>155,243</u>
Nonoperating cash disbursements:			
Debt service:			
Principal retirement	7,368	-	7,368
Interest	32,667	-	32,667
Distribution of fines	-	1,882	1,882
Other disbursements	2,610	-	2,610
Total nonoperating cash disbursements	<u>42,645</u>	<u>1,882</u>	<u>44,527</u>
Net of cash receipts over/(under) cash disbursements before interfund transfers	<u>112,598</u>	<u>(1,882)</u>	<u>110,716</u>
Transfers-in	30,070	-	30,070
Transfers-out	<u>(82,070)</u>	<u>-</u>	<u>(82,070)</u>
Total transfers	<u>(52,000)</u>	<u>-</u>	<u>(52,000)</u>
Net cash receipts over/(under) cash disbursements after interfund transfers	60,598	(1,882)	58,716
Cash fund balances, January 1, 2000 - Restated	<u>1,050,327</u>	<u>1,882</u>	<u>1,052,209</u>
Cash fund balances, December 31, 2000	<u>\$ 1,110,925</u>	<u>\$ -</u>	<u>\$ 1,110,925</u>

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

VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND ENCUMBRANCES COMPARED WITH EXPENDITURE  
AUTHORITY - BUDGET AND ACTUAL -  
FOR THE YEAR ENDED DECEMBER 31, 2000

Fund Types	Receipts				Disbursements						Variance Favorable (Unfavorable)	
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2000 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2000 Appropriations	Total	Actual 2000 Disbursements	Encumbrances Outstanding at 12/31/00		Total
Governmental:												
General	\$ 67,617	\$ 81,628	\$ 149,245	\$ 156,245	\$ 74,617	\$ 2,921	\$ 155,000	\$ 157,921	\$ 120,191	\$ 1,723	\$ 121,914	\$ 36,007
Special Revenue	81,078	16,472	97,550	28,061	11,589	-	90,758	90,758	28,717	136	28,853	61,905
Proprietary:												
Enterprise	1,019,070	479,627	1,498,697	490,470	10,843	31,176	1,051,283	1,082,459	429,872	904	430,776	651,683
Total (Memorandum Only)	\$ 1,167,765	\$ 577,727	\$ 1,745,492	\$ 674,776	\$ 97,049	\$ 34,097	\$ 1,297,041	\$ 1,331,138	\$ 578,780	\$ 2,763	\$ 581,543	\$ 749,595

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

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 1 - DESCRIPTION OF THE ENTITY**

The Village of South Vienna, Clark County (“the Village”), is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Village operates under a council-mayor form of government and provides the following services: general governmental services, including water, sewer and electric utilities, and police services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village officials have direct operating control.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The most significant of the Village’s accounting policies are described below.

**A. BASIS OF PRESENTATION - FUND ACCOUNTING**

The accounts of the Village are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Village.

**GOVERNMENTAL FUNDS**

**General Fund**

The general fund is used to account for all activities of the Village not required to be included in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds**

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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.

*COPS Fast* - This fund receives intergovernmental revenues to provide assistance with police protection services.

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, grants and loan proceeds from various agencies for the installation of a sewer system.

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

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 fund:

*Mayor's Court* - (Agency Fund) - This fund receives monies from collections on fines imposed from tickets issued by the Village's police protection force. Funds are collected in part on behalf of the State of Ohio. In addition, funds are used for safety programs, computerization and general Village operations. As of December 31, 1999, the Village no longer operates a Mayor's Court.



**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**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. BUDGETARY PROCESS**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the item level within each fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

*Tax Budget:*

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Estimated Resources:*

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determines that receipts collected will be greater than or less than the prior estimates, and the Budget Commission finds the revised estimates to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

*Appropriations:*

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

*Encumbrances:*

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Village had outstanding encumbrances at December 31, 2001 and 2000.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. CASH AND CASH EQUIVALENTS**

For reporting purposes, the Village considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Village totaled \$56,356 and \$64,212 for the years ended December 31, 2001 and 2000, respectively.

**E. PROPERTY, PLANT AND EQUIPMENT**

Fixed assets are not capitalized in any of the Village's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

**F. INTERGOVERNMENTAL REVENUES**

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village's cash basis method of accounting.

**G. INTERFUND TRANSACTIONS**

During the course of normal operations, the Village had transactions between funds. The most significant include:

Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers.

**H. 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 basis of accounting used by the Village.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

1: TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

**NOTE 3 - PRIOR PERIOD RESTATEMENT**

The debt service related to enterprise funds has been reclassified to the enterprise funds from the debt service. The above change had the following effect on fund balances at January 1, 2000:

	<u>Debt Service</u>	<u>Enterprise</u>
Balance December 31, 1999	\$ 43,754	\$1,006,573
Reclass fund balance	<u>(43,754)</u>	<u>43,754</u>
Restated balance January 1, 2000	<u><u>0</u></u>	<u><u>\$1,050,327</u></u>

**NOTE 4 - COMPLIANCE**

The following funds had appropriations in excess of estimated resources for the year ended December 31, 2001 in noncompliance with Ohio Revised Code Section 5705.39:

<u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund	\$233,321	\$239,822	\$6,501
<u>Special Revenue Funds</u>			
COPS Fast	(3,780)	0	3,780
Health	3,299	3,325	26

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 4 - COMPLIANCE - (Continued)**

The following funds had appropriations in excess of estimated resources for the year ended December 31, 2000 in noncompliance with Ohio Revised Code Section 5705.39:

<u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund	\$149,245	\$155,000	\$ 5,755
<u>Special Revenue Funds</u>			
COPS Fast	14,480	47,000	32,520
Health	3,325	3,347	22
<u>Enterprise Fund</u>			
Sewer	284,773	284,804	31

The following funds had expenditures in excess of appropriations for the year ended December 31, 2001 in noncompliance with Ohio Revised Code Section 5705.41(B):

<u>2001:</u> <u>Fund Type/Fund/</u> <u>Department Object</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
Mayor/Administration:			
Salaries/Wages	\$ 3,015	\$ 3,367	\$ 352
General Government:			
Transfers Out	0	1,500	1,500
<u>Special Revenue Fund</u>			
COPS Fast:			
Salaries/Wages	0	44	44
<u>Enterprise Funds</u>			
<u>Water:</u>			
Billing: Employee Benefits	1,000	1,042	42
<u>Sewer:</u>			
Billing: Salaries/Wages	5,000	6,257	1,257
<u>Sewer:</u>			
Billing: Medicare	700	784	84
<u>Sewer:</u>			
Other Uses: Transfers Out	26,000	28,867	2,867
<u>Electric:</u>			
Billing: Salaries/Wages	8,979	11,393	2,414
<u>Electric:</u>			
Distribution: Employee Benefits	500	520	20

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 4 - COMPLIANCE - (Continued)**

The following fund had expenditures in excess of appropriations for the year ended December 31, 2000 in noncompliance with Ohio Revised Code Section 5705.41 (B):

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>2000:</u>			
<u>Fund Type/Fund/</u>			
<u>Department Object</u>			
 <u>General Fund</u>			
Police Law: Salaries/Wages	\$ 6,000	\$24,190	\$18,190
Police Law: Employee Benefits	1,100	2,783	1,683
Police Law: Contractual Services	6,000	9,768	3,768
Recreation: Supplies and Materials	1,000	1,348	348
Mayor/Administration:			
Travel and Transportation	250	1,711	1,461
Mayor/Administration:			
Supplies and Materials	1,000	1,042	42
Clerk: Employee Benefits	2,250	2,438	188
Land and Building: Salaries/Wages	1,000	1,175	175
Solicitor: Contractual Services	15,000	15,053	53
 <u>Special Revenue Fund</u>			
<u>Street Construction &amp; Maintenance:</u>			
Street Construction: Contractual Services	0	900	900
 <u>Enterprise Funds</u>			
<u>Water:</u>			
Billing: Salaries/Wages	1,200	2,077	877
Billing: Travel and Transportation	25	108	83
Billing: Contractual Services	500	560	60
<u>Sewer:</u>			
Billing: Salaries/Wages	2,400	3,613	1,213
<u>Electric:</u>			
Office: Salaries/Wages	2,000	2,066	66
Office: Contractual Services	5,000	7,379	2,379
Billing: Salaries/Wages	4,200	5,000	800

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 5 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Village maintains individual cash balances in bank accounts and short-term cash equivalents classified as “Cash and Cash Equivalents” and “Investments” on the Combined Statement of Fund Balances.

A. LEGAL REQUIREMENTS

Statutes require the classifications of funds held by the Village into three categories:

**Category 1** consists of active funds - those funds required to be kept in a cash or cash equivalent status for immediate use by the Village. Such funds must be maintained either as cash in the Village treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

**Category 2** consists of inactive funds - those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

**Category 3** consists of interim funds - those funds which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

Inactive funds may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 5 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS  
- (Continued)**

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio).

The Village may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons;
3. Obligations to the Village.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.



**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 5 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS  
- (Continued)**

**A. DEPOSITS**

For the years ended December 31, 2001 and 2000, the carrying amount of the Village's deposits, were \$126,796 and \$134,180, respectively, and the bank balances were \$126,483 and \$139,419, respectively. Of the bank balances:

1. \$100,000 was covered by federal depository insurance for 2001 and 2000.
2. \$26,483 and \$39,419 was covered by collateral held by third party trustees pursuant to Section 135.181, Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions for 2001 and 2000, respectively.

**B. INVESTMENTS**

Investments are categorized as follows:

Category 1 - Insured or registered, or securities held by the Village or its agent in the Village's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name.

Category 3 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name.

The Village invested in STAR Ohio in 2001 and 2000. Investments in STAR Ohio are not evidenced by securities that exist in physical or book entry form and therefore are not categorized as to the level of risk assumed by the Village. The Village's investments at December 31, 2001 and 2000 are summarized below:

	2001		2000	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
STAR Ohio	<u>\$1,164,000</u>	<u>\$1,164,000</u>	<u>\$1,164,000</u>	<u>\$1,164,000</u>
Total Investments	<u>\$1,164,000</u>	<u>\$1,164,000</u>	<u>\$1,164,000</u>	<u>\$1,164,000</u>

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 5 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS  
- (Continued)**

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

**NOTE 6 - PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village. 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 annually. However, if the property owner elects, they may make semiannual payments.

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.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 7 - DEBT OBLIGATIONS**

At December 31, 2001, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 2001</u>
1993 Sanitary Sewer System Mortgage Revenue Bonds for construction of sewer system, due in annual installments of varying amounts through 2033 bearing interest at 5.625%.	\$383,645
Omega JV-5 Bonded Debt Village of South Vienna's share of participant debt.	<u>155,870</u>
Total debt obligations at December 31, 2001	<u><u>\$539,515</u></u>

Transactions for the year ended December 31, 2001 are summarized as follows:

	<u>Balance at December 31, 2000</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 2001</u>
1993 Mortgage Revenue Bonds	\$389,500	\$ 0	\$5,855	\$383,645
Omega JV5	<u>159,303</u>	<u>0</u>	<u>3,433</u>	<u>155,870</u>
Total Debt Obligations	<u><u>\$548,803</u></u>	<u><u>\$ 0</u></u>	<u><u>\$9,288</u></u>	<u><u>\$539,515</u></u>

The OMEGA JV5 Project consists of governmental entities that have joined together to finance a municipal electric generation facility (see also, Note 8). Bonded debt was issued in the total of \$153,415,000 for the project; the amount listed above and the amortization schedule below represents the Village's participant share. The debt is being repaid through the purchase price of the electricity and is financed through user charges.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 7 - DEBT OBLIGATIONS - (Continued)**

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2001, are as follows:

<u>Year Ending December 31,</u>	<u>Mortgage Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2002	\$ 2,945	\$ 23,223
2003	4,800	21,414
2004	5,100	21,144
2005	5,400	20,858
2006	5,700	20,554
2007 - 2011	33,400	97,605
2012 - 2016	44,100	87,080
2017 - 2021	57,800	73,240
2022 - 2026	76,100	55,015
2027 - 2031	100,000	31,068
2032 - 2033	<u>48,300</u>	<u>4,112</u>
 TOTALS	 <u>\$383,645</u>	 <u>\$455,313</u>

Transactions for the year ended December 31, 2000 are summarized as follows:

	<u>Balance at December 31, 1999</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 2000</u>
1993 Mortgage				
Revenue Bonds	\$393,600	\$ 0	\$4,100	\$389,500
Omega JV5	<u>162,571</u>	<u>0</u>	<u>3,268</u>	<u>159,303</u>
 Total Debt Obligations	 <u>\$556,171</u>	 <u>\$ 0</u>	 <u>\$7,368</u>	 <u>\$548,803</u>

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 7 - DEBT OBLIGATIONS - (Continued)**

OMEGA JV5 debt service requirements for the next five years and cumulative requirements thereafter as of December 31, 2001 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 3,608	\$ 8,304	\$ 11,912
2003	3,790	8,119	11,909
2004	3,982	7,923	11,905
2005	4,180	7,712	11,892
2006	4,378	7,734	12,112
2007 - 2024	<u>135,932</u>	<u>76,222</u>	<u>212,154</u>
Totals	<u>\$155,870</u>	<u>\$116,014</u>	<u>\$271,884</u>

**NOTE 8 - JOINT VENTURES WITH EQUITY INTEREST**

During the year December 31, 2001, the Village was part of the following joint venture:

*Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV 5)* - A group of forty-two municipalities have entered into a joint venture for constructing, installing, and operating a 42 megawatts (MW) hydroelectric generator and related facilities at the Belleville locks and dam on the Ohio River. The Village has a .11 percent participant ownership interest in OMEGA JV 5. For the year ended December 31, 2001, (the most current available financial information), the Village's equity in the joint venture was \$4,803. Bonds issued by the joint venture are retired through the municipalities' payments for the monthly energy usage. The participants are obligated by the agreement to remit on a monthly basis those costs incurred from using electricity generated by the joint venture and a portion of the \$153,415,000 Certificates of Beneficial Interest debt that was issued to construct the fixed asset. Complete separate financial statements may be obtained from OMEGA JV 5, c/o Robert Trippe, Vice President and CEO, AMP-Ohio, 2600 Airport Drive, Columbus, Ohio, 43219.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 8 - JOINT VENTURES WITH EQUITY INTEREST - (Continued)**

Ohio Municipal Electric Generation Agency Joint Venture

The Village's Electric Enterprise Fund participates in a joint venture agreement with 36 other municipal electric systems who have formed the Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2) for the purpose of providing electric power and energy to its participants on a cooperative basis. OMEGA JV2 is organized, existing and authorized by Article XVIII, Section 3 and 4 of the Ohio Constitution in the manner contemplated by Section 715.02 of the Ohio Revised Code and other applicable provisions of Ohio law. OMEGA JV2 was formed on November 21, 2000, and its existence was ratified on December 7, 2000.

OMEGA JV2 is a 138.650 MW project that includes two 32 MW used gas-fired turbines, one 11 MW used gas-fired turbine, and thirty-four 1.825 MW new and one 1.6 MW used oil-fired diesel generator units. Title to this project was transferred to the 36 municipal electric systems from American Municipal Power-Ohio, Incorporated (AMP-Ohio), a non-profit trade association and wholesale power supplier for most of Ohio's 85 municipal electric systems. Each member has a contract which provides for AMP-Ohio to purchase the right to each participant's share of power and energy that is made available through the joint venture contract.

The following is a summary of unaudited financial information of OMEGA JV2 for the year ended December 31, 2001:

	<u>OMEGA JV2</u>
Total Assets	\$55,534,206
Total Liabilities	552,314
Members Equity	54,981,892
Total Revenues	2,095,967
Total Expenses	5,884,673
Excess Income over/(under) Expenses	(3,788,706)

The Village is a financing owner participant of the joint venture, meaning it will finance its project shares (ownership interest) with a portion of the proceeds from a debt issuance. The Village's participant ownership of OMEGA JV2 is .09 percent.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 8 - JOINT VENTURES WITH EQUITY INTEREST - (Continued)**

The Village has an equity interest equal to their undivided ownership percentage of the joint venture members equity. The Village's equity interest for this joint venture is \$49,483 at December 31, 2001. Separate financial statement for the joint venture is available through either the Village or AMP-Ohio.

The following tables show the major participants and percentage of ownership for the JV2 project:

<u>OMEGA JV2</u>	
<u>Participants</u>	<u>Percentage of Ownership</u>
Hamilton	23.87
Bowling Green	14.32
Niles	11.49
Cuyahoga Falls	7.46
Wadsworth	5.81
Painesville	5.22
Galion	4.29
St. Marys	2.98
Other	<u>24.56</u>
 Total	 <u>100.00</u>

**NOTE 9 - RETIREMENT SYSTEMS**

During 2000, the Village's law enforcement officers belonged to the Ohio Police and Fire Fund (OP&F), while other employees belonged to the Public Employees Retirement System (PERS). During 2001, all employees of the Village belonged to the PERS of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement 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, members of OP&F contributed 10% of their wages to the OP&F. The Village contributed an amount equal to 19.5% of their wages. 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 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. As of December 31, 2001, the Village's unpaid portion for PERS and OP&F was \$1,540 and \$0, respectively.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

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

**NOTE 10 - RISK MANAGEMENT**

In 2001 and 2000, the Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions
- General liability and casualty
- Public official's liability

**NOTE 11 - CONTINGENT LIABILITY**

**Contingent liability**

The Village is currently being audited by the Federal Government in relation to its COPS Fast Grant. The Village may be required to reimburse the Federal Government for an undetermined amount of the Grant proceeds. No outcome has been determined as of the date of this report.

**Litigation**

The Village is party to legal proceedings in which management and its legal counsel cannot determine an outcome as of the date of this report.

**NOTE 12 - SUBSEQUENT EVENT**

On May 28, 2002, the former Clerk/Treasurer resigned. The Village has appointed Marcia Fartuer as the new fiscal officer.



# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard  
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Worthington, Ohio 43085

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Facsimile 614.846.2799

## **Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Members of Council and Mayor  
Village of South Vienna  
200 West Main Street  
South Vienna, Ohio 45362

We have audited the financial statements of the Village of South Vienna, Clark County, Ohio as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 11, 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 of South Vienna'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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-VOSV-001 and 2001-VOSV-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village of South Vienna in a separate letter dated March 11, 2002.

Members of Council and Mayor  
Village of South Vienna

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village of South Vienna'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 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 the management of the Village of South Vienna in a separate letter dated March 11, 2002.

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

Trimble, Julian & Grube, Inc.  
March 11, 2002

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO  
DECEMBER 31, 2001 AND 2000**

**SCHEDULE OF FINDINGS**

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

Finding Number	2001-VOSV-001
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Ohio Revised Code Section 5705.39 requires that no fund have appropriations in excess of estimated resources.

It was noted during the audit that the Village had appropriations in excess of estimated resources in the following funds for the years ending December 31, 2001 and 2000:

<u>2001:</u> <u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund	\$233,321	\$239,822	\$ 6,501
<u>Special Revenue Funds</u>			
COPS Fast	(3,780)	0	3,780
Health	3,299	3,325	26
 <u>2000:</u> <u>Fund Type/Fund</u>			
General Fund	149,245	155,000	5,755
<u>Special Revenue Funds</u>			
COPS Fast	14,480	47,000	32,520
Health	3,325	3,347	22
<u>Enterprise Fund</u>			
Sewer	284,773	284,804	31

With appropriations exceeding estimated resources, the Village is spending monies that are not lawfully appropriated for those purposes and thus could result in a fund deficit.

We recommend that the Village comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by keeping more accurate appropriations versus estimated resources records and amending the budget prior to year end. If it is determined that estimated revenues will be greater than initially anticipated, the Village should amend its official estimate in order to provide for any additional appropriations; however, appropriations should not exceed estimated resources.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO  
DECEMBER 31, 2001 AND 2000**

**SCHEDULE OF FINDINGS**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)**

Finding Number	2001-VOSV-002
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Ohio Revised Code Section 5705.41 (B) requires that no subdivision is to expend money unless it has been appropriated.

It was noted during the audit that for the years ended December 31, 2001 and 2000 the Village had expenditures exceeding appropriations in the following funds:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>2001:</u>			
<u>Fund Type/Fund/ Department Object</u>			
<u>General Fund</u>			
Mayor/Administration:			
Salaries/Wages	\$ 3,015	\$ 3,367	\$ 352
General Government:			
Transfers Out	0	1,500	1,500
<u>Special Revenue Fund</u>			
COPS Fast:			
Salaries/Wages	0	44	44
<u>Enterprise Funds</u>			
<u>Water:</u>			
Billing: Employee Benefits	1,000	1,042	42
<u>Sewer:</u>			
Billing: Salaries/Wages	5,000	6,257	1,257
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<u>Electric:</u>			
Distribution: Employee Benefits	500	520	20

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO  
DECEMBER 31, 2001 AND 2000**

**SCHEDULE OF FINDINGS**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)**

Finding Number	2001-VOSV-002 - (Continued)
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	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>2000:</u>			
<u>Fund Type/Fund/</u>			
<u>Department Object</u>			
 <u>General Fund</u>			
Police Law: Salaries/Wages	\$ 6,000	\$24,190	\$18,190
Police Law: Employee Benefits	1,100	2,783	1,683
Police Law: Contractual Services	6,000	9,768	3,768
Recreation: Supplies and Materials	1,000	1,348	348
Mayor/Administration:			
Travel and Transportation	250	1,711	1,461
Mayor/Administration:			
Supplies and Materials	1,000	1,042	42
Clerk: Employee Benefits	2,250	2,438	188
Land and Building: Salaries/Wages	1,000	1,175	175
Solicitor: Contractual Services	15,000	15,053	53
 <u>Special Revenue Fund</u>			
<u>Street Construction &amp; Maintenance:</u>			
Street Construction: Contractual Services	0	900	900
 <u>Enterprise Funds</u>			
<u>Water:</u>			
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Billing: Travel and Transportation	25	108	83
Billing: Contractual Services	500	560	60
<u>Sewer:</u>			
Billing: Salaries/Wages	2,400	3,613	1,213
<u>Electric:</u>			
Office: Salaries/Wages	2,000	2,066	66
Office: Contractual Services	5,000	7,379	2,379
Billing: Salaries/Wages	4,200	5,000	800

With expenditures exceeding appropriations, the Village is unlawfully expending monies that have not been appropriated.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO  
DECEMBER 31, 2001 AND 2000**

**SCHEDULE OF FINDINGS**

<b>1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>
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Finding Number	2001-VOSV-002 - (Continued)
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We recommend that the Village comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations and amending the budget prior to year end. This may be achieved by monitoring the budget more closely on a continual basis.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

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

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected ?</u></b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u>; <i>Explain:</i></b>
1999-12410005-003 & 1998-12410005-002	Ohio Revised Code Section 2743.70 (B)	Yes	The Village no longer has Mayor's Court.
1999-12410005-002 & 1998-12410005-001	Ohio Revised Code Section 5705.41 (B)	No	The Village had a change in Clerks/Treasurer's in 2000; a visiting clerk from a local township is in the process of training the Village's current fiscal officer.
1999-12410005-001	Ohio Revised Code Section 5705.39	No	The Village had a change in Clerks/Treasurer's in 2000; a visiting clerk from a local township is in the process of training the Village's current fiscal officer.
1999-12410005-004 & 1998-12410005-003	Sections 1 and 2 of Village of South Vienna Bond Debt Instrument	Yes	Finding no longer valid.
1999-12410005-005 & 1998-12410005-004	Mayor's Court procedures improperly performed	Yes	The Village no longer has Mayor's Court.







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF SOUTH VIENNA**

**CLARK 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  
JULY 5, 2002**