

**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

FOR THE YEARS ENDED DECEMBER 31, 2006  
AND DECEMBER 31, 2005





# Mary Taylor, CPA

Auditor of State

Village Council  
Village of Williamsport  
P.O. Box 163  
Williamsport, OH 43164

We have reviewed the *Independent Auditor's Report* of the Village of Williamsport, Pickaway County, prepared by Van Krevel and Company, CPA's, for the audit period January 1, 2005 to December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Williamsport is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

September 14, 2007

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VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY

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**INDEPENDENT AUDITOR'S REPORT**

Village of Williamsport  
Pickaway County  
P.O. Box 163  
Williamsport, Ohio 43164

To the Village Council:

We have audited the accompanying financial statements of the Village of Williamsport, Pickaway County, Ohio, (the Village) as of and for the years ended December 31, 2006 and 2005. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of the State of Ohio prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2006 and 2005, or its changes in financial position for the years then ended.

Also, 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 of Williamsport, Pickaway County, Ohio, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2007, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Van Krevel & Company".

Van Krevel & Company

August 6, 2007



**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**Combined Statement of Cash Receipts, Cash Disbursements, and  
Changes in Fund Cash Balances – All Governmental Fund Types  
For the Year Ended December 31, 2006**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$ 32,691	\$ 28,989	\$ -	\$ 61,680
Intergovernmental Receipts	117,945	52,848	91,319	262,112
Charges for Services	-	44,279	-	44,279
Fines, Licenses, and Permits	694	-	-	694
Earnings on investments	4,908	1,129	-	6,037
Miscellaneous	6,506	50,219	-	56,725
Total Cash Receipts	<u>162,744</u>	<u>177,464</u>	<u>91,319</u>	<u>431,527</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	36,932	45,376	-	82,308
Public Health Services	2,183	-	-	2,183
Leisure Time Activities	12,432	-	-	12,432
Community Environment	363	-	-	363
Transportation	-	9,458	-	9,458
General Government	37,004	-	-	37,004
Debt Service:				
Principal Payments	-	-	-	-
Interest Payments	-	-	-	-
Capital Outlay	10,000	51,002	91,319	152,321
Total Cash Disbursements	<u>98,914</u>	<u>105,836</u>	<u>91,319</u>	<u>296,069</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>63,830</u>	<u>71,628</u>	<u>-</u>	<u>135,458</u>
Excess of Cash Receipts Over/(under) Cash Disbursements and Other Financing Disbursements				
	63,830	71,628	-	135,458
Fund Cash Balances, January 1	119,380	276,043	-	395,423
<b>Fund Cash Balances, December31</b>	<u><b>\$ 183,210</b></u>	<u><b>\$ 347,671</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 530,881</b></u>
Reserves for Encumbrances, December31	<u>\$ 423</u>	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ 523</u>

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

**VILLAGE OF WILLIAMSPORT  
PICKAWAY 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, 2006**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 748,833	\$ -	\$ 748,833
Miscellaneous	-	10,000	10,000
Total Operating Cash Receipts	<u>748,833</u>	<u>10,000</u>	<u>758,833</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	91,016	-	91,016
Fringe Benefits	46,247	-	46,247
Contractual Services	441,042	-	441,042
Supplies and Materials	21,913	-	21,913
Other Operating Cash Disbursements	10,628	10,000	20,628
Capital Outlay	<u>23,768</u>	<u>-</u>	<u>23,768</u>
Total Operating Cash Disbursements	<u>634,614</u>	<u>10,000</u>	<u>644,614</u>
Operating income/(Loss)	<u>114,219</u>	<u>-</u>	<u>114,219</u>
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Receipts	<u>627</u>	<u>-</u>	<u>627</u>
Total Non-Operating Cash Receipts	<u>627</u>	<u>-</u>	<u>627</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service:			
Principal Payments	61,154	-	61,154
Interest Payments	<u>85,312</u>	<u>-</u>	<u>85,312</u>
Total Non-Operating Cash Disbursements	<u>146,466</u>	<u>-</u>	<u>146,466</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	(31,620)	-	(31,620)
Transfers-In	133,716	-	133,716
Transfers-Out	<u>(133,716)</u>	<u>-</u>	<u>(133,716)</u>
Net Receipts Over/(under) Disbursements	(31,620)	-	(31,620)
Fund Cash Balances, January 1	<u>473,428</u>	<u>-</u>	<u>473,428</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 441,808</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 441,808</u></b>
Reserve for Encumbrances, December 31	<u>\$ 14,914</u>	<u>\$ -</u>	<u>\$ 14,914</u>

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

**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**Combined Statement of Cash Receipts, Cash Disbursements, and  
Changes in Fund Cash Balances – All Governmental Fund Types  
For the Year Ended December 31, 2005**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$ 29,516	\$ 28,415	\$ -	\$ 57,931
Intergovernmental Receipts	62,790	70,791	41,669	175,250
Charges for Services	-	39,346	-	39,346
Fines, Licenses, and Permits	616	-	-	616
Earnings on investments	4,635	886	-	5,521
Miscellaneous	6,930	54,751	-	61,681
Total Cash Receipts	<u>104,487</u>	<u>194,189</u>	<u>41,669</u>	<u>340,345</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	37,525	39,748	-	77,273
Public Health Services	2,287	-	-	2,287
Leisure Time Activities	12,074	-	-	12,074
Community Environment	400	-	-	400
Transportation	-	29,398	-	29,398
General Government	44,176	-	-	44,176
Debt Service:				
Principal Payments	-	-	-	-
Interest Payments	-	-	-	-
Capital Outlay	-	40,403	41,669	82,072
Total Cash Disbursements	<u>96,462</u>	<u>109,549</u>	<u>41,669</u>	<u>247,680</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>8,025</u>	<u>84,640</u>	<u>-</u>	<u>92,665</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Sale of Fixed Assets	20	1,200	-	1,220
Total Other Financing Receipts/(Disbursements)	<u>20</u>	<u>1,200</u>	<u>-</u>	<u>1,220</u>
Excess of Cash Receipts				
Over/(under) Cash Disbursements				
and Other Financing Disbursements	8,045	85,840	-	93,885
Fund Cash Balances, January 1	<u>111,335</u>	<u>190,203</u>	<u>-</u>	<u>301,538</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 119,380</b></u>	<u><b>\$ 276,043</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 395,423</b></u>
Reserves for Encumbrances, December 31	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>

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

**VILLAGE OF WILLIAMSPORT  
PICKAWAY 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, 2005**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 652,260	\$ -	\$ 652,260
Total Operating Cash Receipts	<u>652,260</u>	<u>-</u>	<u>652,260</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	91,062	-	91,062
Fringe Benefits	43,005	-	43,005
Contractual Services	328,606	-	328,606
Supplies and Materials	16,058	-	16,058
Other Operating Cash Disbursements	11,190	5,340	16,530
Capital Outlay	90,849	-	90,849
Total Operating Cash Disbursements	<u>580,770</u>	<u>5,340</u>	<u>586,110</u>
Operating income/(Loss)	<u>71,490</u>	<u>(5,340)</u>	<u>66,150</u>
<b>Non-Operating Cash Receipts:</b>			
Intergovernmental Receipts	36,025	-	36,025
Debt Proceeds	33,767	-	33,767
Other Non-Operating Receipts	1,670	-	1,670
Total Non-Operating Cash Receipts	<u>71,462</u>	<u>-</u>	<u>71,462</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service:			
Principal Payments	56,920	-	56,920
Interest Payments	88,308	-	88,308
Total Non-Operating Cash Disbursements	<u>145,228</u>	<u>-</u>	<u>145,228</u>
Excess of Receipts Over/(Under) Disbursements Before interfund Transfers	(2,276)	(5,340)	(7,616)
Transfers-In	134,387	-	134,387
Transfers-Out	<u>(134,387)</u>	<u>-</u>	<u>(134,387)</u>
Net Receipts Over/(under) Disbursements	(2,276)	(5,340)	(7,616)
Fund Cash Balances, January 1	<u>475,704</u>	<u>5,340</u>	<u>481,044</u>
<b>Fund Cash Balances, December 31</b>	<b><u>473,428</u></b>	<b><u>-</u></b>	<b><u>473,428</u></b>
Reserve for Encumbrances, December 31	<u>39</u>	<u>-</u>	<u>39</u>

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

**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**Notes to the Financial Statements  
December 31, 2006 and 2005**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Williamsport, Pickaway County, Ohio, (the Village) as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides water, sewer and gas utilities, park operations, emergency medical ambulance and fire protection services. The Village contracts with the Pickaway County Sheriff's department to provide security of persons and property. The Village provides emergency medical ambulance services to the citizens of the Village of Williamsport and fire protection services to Jackson Township, Monroe Township, Muhlenberg Township and Wayne Township, all located within Pickaway County.

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 accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

**C. Cash**

The Village values certificates of deposit at cost.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash that is restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund for the Village. It is used to report all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds 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.

**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

(Continued)

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

*Fire Fund* - This fund receives the Village's fire levy tax monies, which are used for the fire protection services.

*Joint Fire Fund* - This fund receives monies from fire contracts for the operation and maintenance of the joint fire department.

*Joint Fire Donation Fund* - This fund receives donated monies for the future purpose of buying land for the Joint Fire Department.

**3. Capital Projects Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Funds:

*CDBG Playground Grant* - This fund records Community Development Block Grant (CDBG) receipts and disbursements expended on behalf of the Village by the Pickaway County Commissioners Office for playground equipment.

*CDBG Community Square Heating Grant* - This fund records Community Development Block Grant (CDBG) receipts and disbursements expended on behalf of the Village by the Pickaway County Commissioners Office for a heating system in the Community Square.

*CDBG Fire Department Grant* - This fund records Community Development Block Grant (CDBG) receipts and disbursements expended on behalf of the Village by the Pickaway County Commissioners Office for the fire department.

**4. Enterprise Funds**

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

*Gas Operating Fund* - This fund receives charges for services from residents to cover the costs of providing this utility.

*Water Tower Fund* - This fund is utilized to pay the construction costs for the new water tower.

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

**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

(Continued)

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**4. Enterprise Funds (Continued)**

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

*Water Debt Fund* - This fund receives charges for services from residents to cover the debt payments associated with this utility.

**5. Fiduciary Fund (Agency Fund)**

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following Fiduciary Fund:

*Fire Destruction Deposit Fund (Agency)* - This fund houses the insurance proceeds provided to the Village as deposit for repairing fire damaged properties as required by Village ordinance.

**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. Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**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 2006 and 2005 budgetary activity appears in Note 3.

**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

(Continued)

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Property, Plant, and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**NOTE 2 EQUITY IN POOLED CASH**

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2006</u>	<u>2005</u>
Demand deposits	\$ 852,205	\$ 848,853
Certificates of deposit	<u>120,484</u>	<u>20,000</u>
Total deposits	<u>\$ 972,689</u>	<u>\$ 868,853</u>

Deposits: Deposits are (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Village.

**NOTE 3 BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2006 and December 31, 2005 follows:

**2006 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 162,312	\$ 162,744	\$ 432
Special Revenue	175,994	177,464	1,470
Capital Projects	93,000	91,319	(1,681)
Enterprise	888,282	883,176	(5,106)
Fiduciary	<u>10,000</u>	<u>10,000</u>	-
Total	<u>\$1,329,588</u>	<u>\$1,324,703</u>	<u>\$ (4,885)</u>



**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**NOTE 3 BUDGETARY ACTIVITY (Continued)**

**2006 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 141,293	\$ 99,337	\$ 41,956
Special Revenue	231,536	105,937	125,599
Capital Projects	93,000	91,319	1,681
Enterprise	1,056,712	929,710	127,002
Fiduciary	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total	<u>\$1,532,541</u>	<u>\$1,236,303</u>	<u>\$ 296,238</u>

**2005 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 98,768	\$ 104,507	\$ 5,739
Special Revenue	190,878	195,389	4,511
Capital Projects	78,684	41,669	(37,015)
Enterprise	840,586	858,109	17,523
Fiduciary	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,208,916</u>	<u>\$1,199,674</u>	<u>\$ (9,242)</u>

**2005 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 155,679	\$ 96,492	\$ 59,187
Special Revenue	251,921	109,549	142,372
Capital Projects	78,684	41,669	37,015
Enterprise	1,026,960	860,424	166,536
Fiduciary	<u>5,340</u>	<u>5,340</u>	<u>-</u>
Total	<u>\$1,518,584</u>	<u>\$1,113,474</u>	<u>\$ 405,110</u>

**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

(Continued)

**NOTE 4 PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopts tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The State pays the Village amounts equaling these deductions. The Village includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment 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.

Property owners assess tangible personal property tax. They must file a list of tangible 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 the Village's behalf.

**NOTE 5 RETIREMENT SYSTEM**

The Village's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plan's retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2005, OPERS members contributed 8.5 percent of their wages. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. For 2006, OPERS members contributed 9 percent of their wages. The Village contributed an amount equal to 13.75 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2006.

**NOTE 6 RISK POOL MEMBERSHIP**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**NOTE 7 DEBT**

The Village's long-term debt activity for the years ended December 31, 2006 and 2005, were as follows:

	Interest Rate	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006	Due Within One Year
FmHA Sewer Loan									
1991 Issue (\$431,000)	5.00%	\$ 263,000	\$ -	\$14,000	\$ 249,000	\$ -	\$15,000	\$ 234,000	\$ 38,400
OWDA Water Loan									
1997 Issue (\$1,277,155)	6.11%	1,142,748	-	35,010	1,107,738	-	37,150	1,070,588	104,832
OWDA Sewer Loan									
1998 Issue (\$105,041)	5.66%	94,277	-	2,772	91,505	-	2,929	88,576	8,108
OPWC Water Loan									
1997 Issue (\$84,000)	0.00%	52,500	-	4,200	48,300	-	4,200	44,100	4,200
OPWC Sewer Loan									
2004 Issue (\$37,504)	0.00%	<u>3,737</u>	<u>33,767</u>	<u>938</u>	<u>36,566</u>	<u>-</u>	<u>1,875</u>	<u>34,691</u>	<u>1,875</u>
Totals		<u>\$1,556,262</u>	<u>\$33,767</u>	<u>\$56,920</u>	<u>\$1,533,109</u>	<u>\$ -</u>	<u>\$61,154</u>	<u>\$1,471,955</u>	<u>\$157,415</u>

The Farmer's Home Administration (FmHA) Revenue Bonds were initiated for the construction of the waste water treatment plant in 1982 in the amount of \$431,000. These bonds are repaid in annual installments until 2018. The debt is to be repaid by user charges to consumers that use the sewer system.

The Ohio Water Development Authority (OWDA) loans relate to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency, which included the drilling of several new wells. The loans are to be paid in semi-annual installments of \$52,416 and \$4,054, including interest through 2023 and 2024, respectively. These loans are to be repaid by user charges to consumers who use the system.

**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

(Continued)

**NOTE 7 DEBT** (Continued)

The Ohio Public Works Commission (OPWC) Water Loan provided additional assistance for the water plant expansion project. The Village received \$84,000 in 1997 to be repaid in semiannual installments of \$2,100 over 20 years, with the final installment payable on July 1, 2017. This loan is to be repaid by user charges to consumers who use the system. This loan has a zero percent interest rate for the life of the loan.

The Ohio Public Works Commission (OPWC) Sewer Loan provided assistance for the construction of new Sand Beds for the Village's sewer system. In 2004 and 2005, the Village received a total of \$37,504 to be repaid in semiannual installments of \$938 over 20 years, with the final installment payable on July 1, 2025. The debt is to be repaid by user charges to consumers that use the system. This loan has a zero percentage interest rate for the life of the loan.

The following is a summary of the Village's future annual debt service requirements:

<u>Year ending December 31:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 63,589	\$ 82,126
2008	66,173	79,793
2009	69,914	75,302
2010	73,821	71,594
2011	77,905	67,660
2012-2015	356,387	226,375
2016-2020	494,889	163,639
2021-2025	<u>269,277</u>	<u>29,621</u>
Totals	<u>\$1,471,955</u>	<u>\$ 796,110</u>

**NOTE 8 SUBSEQUENT EVENT**

In July 2007, the Village was approved for an OPWC Grant and Loan in the amounts of \$146,205 and \$48,735, respectively. The proceeds will be used for the Main Street Improvements - Phase III Project. Contract bids for this project have been received but as of the date of this report, have not been awarded.

**INDEPENDENT ACCOUNTANT'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Williamsport  
Pickaway County  
P.O. Box 163  
Williamsport, Ohio 43164

To the Village Council:

We have audited the financial statements of the Village of Williamsport, Pickaway County, Ohio, (the Village) as of and for the years ended December 31, 2006, and December 31, 2005, and have issued our report thereon dated August 6, 2007, wherein we noted the Village followed accounting practices the Auditor of State of Ohio prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Williamsport, Pickaway County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be significant.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement. We consider the following deficiency described in the accompanying schedule of findings to be significant deficiency in internal control over financial reporting: 2006-001.

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### **Internal Control Over Financial Reporting (Continued)**

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses. In a separate letter to the Village's management dated August 6, 2007, we reported other matters involving internal control over financial reporting that we did not deem reportable conditions.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. In a separate letter to the Village's management dated August 6, 2007, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, and Village Council. It is not intended for anyone other than these specified parties.



Van Krevel & Company

August 6, 2007

**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005**

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

<b>Finding Number</b>	<b>2006-001</b>
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**Utility System Standing Data**

The Village's "standing" data file for the Utility Department contains each customers name, address, account number, telephone number, service provided and billing rates. The billing rate is applied to the usage number to calculate the billing amount for the utility services used. Access to this file has not been limited to a specific user other than those performing the daily operation activities (consumption, billings and payment postings) of the Utility Department. The two employees with access to the computer have access to the standing data file and can modify any information contained therein without any management oversight.

This weakness could permit the manipulation of standing data resulting in errors and irregularities. Standing data file access should be limited to one specific employee, with management oversight to ensure modifications are properly authorized before files are changed.

We recommend the Village limit access to the standing data file to an individual other than those performing the daily operation of the utility department and management authorize any modification before it is made.

**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2006 AND 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected Partially Corrected Significantly Different Corrective Action Taken or Finding No Longer Valid <i>Explain</i>
2002-002, 2004-001	Failure to limit access to standing data for the Utility Department billing system	No	Reissued as finding 2006-001





**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF WILLIAMSPORT**

**PICKAWAY 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  
SEPTEMBER 27, 2007**