

**VILLAGE OF WILMOT
STARK COUNTY
Regular Audit
For the Years Ended December 31, 2011 and 2010**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Village Council
Village of Wilmot
P.O. Box 192
Wilmot, Ohio 44689

We have reviewed the *Independent Accountants' Report* of the Village of Wilmot, Stark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2010 through December 31, 2011. 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 Accountants' 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 Accountants' 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 Wilmot is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

October 17, 2012

This page intentionally left blank.

VILLAGE OF WILMOT
STARK COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2011	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2011	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2010	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2010	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	16
Schedule of Audit Findings	18
Schedule of Prior Audit Findings	19

This page intentionally left blank.

Perry & Associates
Certified Public Accountants, A.C.
www.perrycpas.com

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056
(740) 373-2402 Fax

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203
(304) 428-5587 Fax

ST. CLAIRSVILLE
121 E Main Street
St. Clairsville, OH 43950
(740) 695-1569
(740) 695-5775 Fax

INDEPENDENT ACCOUNTANTS' REPORT

June 25, 2012

Village of Wilmot
Stark County
P.O. Box 192
Wilmot, Ohio 44689

To the Village Council:

We have audited the accompanying financial statements of the **Village of Wilmot**, Stark County, Ohio, (the Village) as of and for the years ended December 31, 2011 and 2010. 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 1B, the Village has prepared these financial statements using accounting practices the Auditor of State 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 require 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 requires 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 Village's 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, 2011 and 2010 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, 2011 and 2010 or its changes in financial position or cash flows, where applicable 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 as of December 31, 2011 and 2010 and the reserves for encumbrances as of December 31, 2010 of the Village of Wilmot, Stark County, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1B describes.

As described in Note 1F, during 2011 the Village of Wilmot adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2012, 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.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF WILMOT
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts			
Property and Other Local Taxes	\$ 9,769	\$ 1,813	\$ 11,582
Municipal Income Tax	99,182	-	99,182
Intergovernmental	8,980	11,104	20,084
Fines, Licenses and Permits	2,116	-	2,116
Earnings on Investments	72	-	72
Miscellaneous	1,953	50	2,003
	<u>122,072</u>	<u>12,967</u>	<u>135,039</u>
Total Cash Receipts			
	<u>122,072</u>	<u>12,967</u>	<u>135,039</u>
Cash Disbursements			
Current:			
Security of Persons and Property	66,220	-	66,220
Public Health Services	1,037	-	1,037
Leisure Time Activities	3,396	-	3,396
Community Environment	100	-	100
Basic Utility Services	380	-	380
Transportation	-	13,659	13,659
General Government	30,877	-	30,877
Capital Outlay	14,600	-	14,600
Debt Service:			
Principal Retirement	3,728	-	3,728
Interest	488	-	488
	<u>120,826</u>	<u>13,659</u>	<u>134,485</u>
Total Cash Disbursements			
	<u>120,826</u>	<u>13,659</u>	<u>134,485</u>
Total Receipts Over (Under) Disbursements	1,246	(692)	554
Other Financing Receipts			
Other Debt Proceeds	14,600	-	14,600
	<u>14,600</u>	<u>-</u>	<u>14,600</u>
Total Other Financing Receipts			
	<u>14,600</u>	<u>-</u>	<u>14,600</u>
Net Change in Fund Balances	15,846	(692)	15,154
Fund Cash Balance, January 1	50,338	15,649	65,987
	<u>50,338</u>	<u>15,649</u>	<u>65,987</u>
Fund Cash Balance, December 31			
Restricted	-	14,957	14,957
Unassigned	66,184	-	66,184
	<u>66,184</u>	<u>-</u>	<u>66,184</u>
Fund Cash Balance, December 31	<u>\$ 66,184</u>	<u>\$ 14,957</u>	<u>\$ 81,141</u>

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

**VILLAGE OF WILMOT
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals Memorandum Only</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts			
Charges for Services	\$ 68,443	\$ -	\$ 68,443
Total Operating Revenues	<u>68,443</u>	<u>-</u>	<u>68,443</u>
Operating Cash Disbursements			
Personal Services	24,422	-	24,422
Fringe Benefits	4,373	-	4,373
Contractual Services	21,987	-	21,987
Supplies and Materials	4,160	-	4,160
Other	2,732	-	2,732
Total Operating Cash Disbursements	<u>57,674</u>	<u>-</u>	<u>57,674</u>
Operating Income	<u>10,769</u>	<u>-</u>	<u>10,769</u>
Non-Operating (Disbursements)			
Capital Outlay	(2,966)	-	(2,966)
Redemption of Principal	(12,816)	-	(12,816)
Interest and Fiscal Charges	(2,096)	-	(2,096)
Total Non-Operating Disbursements	<u>(17,878)</u>	<u>-</u>	<u>(17,878)</u>
Income (Loss) Before Capital Contributions	(7,109)	-	(7,109)
Capital Contributions	<u>400</u>	<u>-</u>	<u>400</u>
Net Change in Fund Cash Balances	(6,709)	-	(6,709)
Fund Cash Balance, January 1	<u>38,679</u>	<u>494</u>	<u>39,173</u>
Fund Cash Balances, December 31	<u><u>\$ 31,970</u></u>	<u><u>\$ 494</u></u>	<u><u>\$ 32,464</u></u>

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

**VILLAGE OF WILMOT
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts			
Property Tax and Other Local Taxes	\$ 9,661	\$ 1,681	\$ 11,342
Municipal Income Taxes	92,248	-	92,248
Intergovernmental	9,708	11,066	20,774
Fines, Licenses, and Permits	1,997	-	1,997
Earnings on Investments	89	-	89
Miscellaneous	614	866	1,480
	<u>114,317</u>	<u>13,613</u>	<u>127,930</u>
Total Cash Receipts			
	<u>114,317</u>	<u>13,613</u>	<u>127,930</u>
Cash Disbursements			
Current:			
Security of Persons and Property	66,166	61	66,227
Public Health Services	1,014	-	1,014
Leisure Time Activities	802	-	802
Community Environment	100	-	100
Basic Utility Services	418	-	418
Transportation	-	16,819	16,819
General Government	34,787	-	34,787
	<u>103,287</u>	<u>16,880</u>	<u>120,167</u>
Total Cash Disbursements			
	<u>103,287</u>	<u>16,880</u>	<u>120,167</u>
Total Cash Receipts Over (Under) Disbursements	11,030	(3,267)	7,763
Other Financing Receipts and (Disbursements)			
Transfers-In	-	11,320	11,320
Transfers-Out	(11,320)	-	(11,320)
	<u>(11,320)</u>	<u>11,320</u>	<u>-</u>
Total Other Financing Receipts (Disbursements)			
	<u>(11,320)</u>	<u>11,320</u>	<u>-</u>
Net Change in Fund Cash Balances	(290)	8,053	7,763
Fund Cash Balances, January 1	50,628	7,596	58,224
	<u>50,628</u>	<u>7,596</u>	<u>58,224</u>
Fund Cash Balances, December 31	<u>\$ 50,338</u>	<u>\$ 15,649</u>	<u>\$ 65,987</u>
Reserve for Encumbrances, December 31	<u>\$ 2,273</u>	<u>\$ 38</u>	<u>\$ 2,311</u>

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

**VILLAGE OF WILMOT
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals Memorandum Only</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts			
Charges for Services	\$ 68,731	\$ -	\$ 68,731
Total Operating Revenues	<u>68,731</u>	<u>-</u>	<u>68,731</u>
Operating Cash Disbursements			
Personal Services	24,013	-	24,013
Fringe Benefits	4,545	-	4,545
Contractual Services	22,153	-	22,153
Supplies and Materials	11,766	-	11,766
Other	3,556	-	3,556
Total Operating Cash Disbursements	<u>66,033</u>	<u>-</u>	<u>66,033</u>
Operating Income (Loss)	<u>2,698</u>	<u>-</u>	<u>2,698</u>
Non-Operating (Disbursements)			
Capital Outlay	(2,515)	-	(2,515)
Redemption of Principal	(12,114)	-	(12,114)
Interest and Other Fiscal Charges	(2,231)	-	(2,231)
Total Non-Operating (Disbursements)	<u>(16,860)</u>	<u>-</u>	<u>(16,860)</u>
Income (Loss)	<u>(14,162)</u>	<u>-</u>	<u>(14,162)</u>
Fund Cash Balances, January 1	<u>52,841</u>	<u>494</u>	<u>53,335</u>
Fund Cash Balances, December 31	<u>\$ 38,679</u>	<u>\$ 494</u>	<u>\$ 39,173</u>
Reserve for Encumbrances, December 31	<u><u>\$ 2,056</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,056</u></u>

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

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

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 Wilmot, Stark County (the Village), as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides general governmental services, including water and police services. The Village contracts with the Wilmot Fire and Rescue, Inc. to provide fire protection services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village 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. Deposits and Investments

The Village invests all funds in an interest-bearing checking account and STAR Ohio. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

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 reports all financial resources except those required to be accounted for in another fund.

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose 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.

Permissive Motor Vehicle License - This fund receives motor vehicle tax money for constructing, maintaining and repairing Village roads and bridges.

3. Proprietary 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 Fund:

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

Enterprise Improvement Fund - This fund receives OWDA and OPWC grant and loan revenue and transfers from the Water Operating Fund for construction related to the Village's water system improvements.

4. Fiduciary Fund

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations, or other governments. The Village disburses these funds as directed by the individual, organization, or other government. The Village's agency fund accounts for the Mayor's Court that was inactive during the audit period.

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

F. Fund Balance

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

3. Committed

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. 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.

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Village maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	<u>2011</u>	<u>2010</u>
Demand deposits	\$86,479	\$72,552
Total deposits	86,479	72,552
STAR Ohio	27,126	32,608
Total investments	27,126	32,608
Total deposits and investments	\$113,605	\$105,160

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

Investments: Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 126,111	\$ 136,672	\$ 10,561
Special Revenue	17,090	12,967	(4,123)
Enterprise	93,420	68,843	(24,577)
Total	\$ 236,621	\$ 218,482	\$ (18,139)

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 165,772	\$ 120,826	\$ 44,946
Special Revenue	28,305	13,659	14,646
Enterprise	94,662	75,552	19,110
Total	\$ 288,739	\$ 210,037	\$ 78,702

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 122,372	\$ 114,317	\$ (8,055)
Special Revenue	22,088	24,933	2,845
Enterprise	195,796	68,731	(127,065)
Total	\$ 340,256	\$ 207,981	\$ (132,275)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 157,920	\$ 116,880	\$ 41,040
Special Revenue	27,555	16,918	10,637
Enterprise	150,662	84,949	65,713
Total	\$ 336,137	\$ 218,747	\$ 117,390

4. DEBT

Debt outstanding at December 31, 2011 was as follows:

	Principal	Interest Rate
OWDA Waterline Replacement Loan	\$ 75,122	2%
OPWC Waterline Replacement Loan	35,104	0%
Tractor Loan	10,872	4.355%
Total	\$ 121,098	

The Water System Improvement Bond relates to improvements made to the water system, such as building a new storage tank, water lines, access road, and chlorine contact tank, along with the related equipment. During the audit period the Village retired this Bond debt.

The OWDA and OPWC Waterline Replacement Loans relate to replacing the existing water lines on Main Street and Maple Street, and includes the replacement of service lines, fire hydrants and valves. In addition to the loans, OPWC also provided a grant for this project. These projects have continued past the end of the audit period. The following amortization schedules reflect loan information currently available.

During 2011 the Village purchased a tractor with proceeds from a five year loan from Commercial & Savings Bank.

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

4. DEBT (Continued)

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

Year ending December 31:	OWDA Note	OWPC Note	Tractor Loan
2012	\$ 3,578	\$ 1,232	\$ 3,259
2013	3,578	1,232	3,259
2014	3,578	1,232	3,259
2015	3,578	1,232	2,302
2016	3,578	1,232	-
Thereafter	84,098	28,944	-
Total	<u>\$ 101,988</u>	<u>\$ 35,104</u>	<u>\$ 12,079</u>

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

6. RETIREMENT SYSTEMS

Officials and employees, other than law enforcement officers, belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equal to 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2011.

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

7. RISK MANAGEMENT

Risk Pool Membership

Prior to 2009, the Government belonged to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan was legally separate from its member governments.

On January 1, 2009, through an internal reorganization, the Plan created three separate non-profit corporations including:

- Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan;
- Ohio Plan Healthcare Consortium, Inc. (OPHC) - formerly known as the Ohio Healthcare Consortium; and
- Ohio Plan, Inc. - mirrors the oversight function previously performed by the Board of Directors. The Board of Trustees consists of eleven (11) members that include appointed and elected officials from member organizations.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 40% (17.5% through October 31, 2010 and 15% through October 31, 2009) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 761 and 725 members as of December 31, 2010 and 2009 respectively. The Village participates in this coverage.

The Plan formed the Ohio Plan Healthcare Consortium ("OPHC"), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member's healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 65 and 60 members as of December 31, 2010 and 2009 respectively. The Village does not participate in this coverage.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

**VILLAGE OF WILMOT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

7. RISK MANAGEMENT (Continued)

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009 (the latest information available), and include amounts for both OPRM and OPHC:

	2010		2009	
	OPRM	OPHC	OPRM	OPHC
Assets	\$12,036,541	\$1,355,131	\$11,176,186	\$1,358,802
Liabilities	(4,845,056)	(1,055,096)	(4,852,485)	(1,253,617)
Members' Equity	<u>\$7,191,485</u>	<u>\$300,035</u>	<u>\$6,323,701</u>	<u>\$105,185</u>

You can read the complete audited financial statements for OPRM and OPHC at the Plan's website, www.ohioplan.org.

Perry & Associates
Certified Public Accountants, A.C.
www.perrycpas.com

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056
(740) 373-2402 Fax

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203
(304) 428-5587 Fax

ST. CLAIRSVILLE
121 E Main Street
St. Clairsville, OH 43950
(740) 695-1569
(740) 695-5775 Fax

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

June 25, 2012

Village of Wilmot
Stark County
P.O. Box 192
Wilmot, Ohio 44689

To the Village Council:

We have audited the financial statements of the **Village of Wilmot**, Stark County, Ohio (the Village) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated June 25, 2012, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America, and which includes a reference to the implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of audit findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-001 described in the accompanying schedule of audit findings to be a material weakness.

Village of Wilmot
Stark County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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 we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, Village Council and others within the Village. We intend it for no one other than these specified parties.

Respectfully Submitted,

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF WILMOT
STARK COUNTY**

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2011 and 2010**

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

FINDING NUMBER 2011-001

Material Weakness

Posting Receipts and Disbursements

Receipts and disbursements should be posted to the fund and line item accounts as established by Ohio Administrative Code.

Receipts and disbursements were not always posted correctly. For example;

- The Village entered into a loan agreement to purchase a tractor for the Village. The lending institution paid the vendor directly which resulted in the Village not recording the transaction on its accounting records.

Not posting receipts and disbursements accurately resulted in the financial statements requiring this reclassification. The financial statements reflect this reclassification.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to Ohio Administrative Code Section 117-7-01 and/or the Ohio Township Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Management's Response – We did not receive a response from officials to this finding.

**VILLAGE OF WILMOT
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Posting receipts and disbursements	No	Repeated as 2011-001

This page intentionally left blank.



Dave Yost • Auditor of State

VILLAGE OF WILMOT

STARK 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
NOVEMBER 8, 2012