



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF BURTON
TABLE OF CONTENTS**

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental and Fiduciary Fund Types – For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary and Fiduciary Fund Types – For the Year Ended December 31, 1999	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental and Fiduciary Fund Types – For the Year Ended December 31, 1998	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary and Fiduciary Fund Types – For the Year Ended December 31, 1998	6
Notes to the Financial Statements	7
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	15

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OFFICE OF THE AUDITOR

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Burton
Geauga County
14588 West Park Street, Box 408
Burton, Ohio 44021

To the Village Council:

We have audited the accompanying financial statements of the Village of Burton, Geauga County, Ohio, (the Village) as of and for the years ended December 31, 1999 and December 31, 1998. 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 audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Burton, Geauga County, as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management, Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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Jim Petro
Auditor of State

May 16, 2000

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VILLAGE OF BURTON
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$375,157	\$87,243	\$0	\$0	\$462,400
Special Assessments	0	1,096	0	0	1,096
Intergovernmental Receipts	218,111	84,600	140,000	0	442,711
Charges for Services	26	8,128	0	5,829	13,983
Fines, Licenses, and Permits	10,178	8,322	0	0	18,500
Miscellaneous	19,228	11,293	0	0	30,521
Total Cash Receipts	622,700	200,682	140,000	5,829	969,211
Cash Disbursements:					
Current:					
Security of Persons and Property	0	181,843	0	0	181,843
Public Health Services	4,352	8,998	0	0	13,350
Leisure Time Activities	12,447	0	0	0	12,447
Community Environment	20,988	0	0	11,283	32,271
Basic Utility Services	0	22,057	0	0	22,057
Transportation	0	232,424	0	0	232,424
General Government	109,164	0	0	0	109,164
Debt Service:					
Principal Payments	0	0	5,628	0	5,628
Capital Outlay	0	2,353	299,887	0	302,240
Total Disbursements	146,951	447,675	305,515	11,283	911,424
Total Receipts Over/(Under) Disbursements	475,749	(246,993)	(165,515)	(5,454)	57,787
Other Financing Receipts/(Disbursements):					
Sale of Fixed Assets	113	0	0	0	113
Transfers-In	0	246,933	105,141	0	352,074
Advances-In	0	2,434	0	0	2,434
Transfers-Out	(321,500)	(433)	0	0	(321,933)
Advances-Out	0	(2,434)	0	0	(2,434)
Other Uses	0	(14,409)	0	0	(14,409)
Total Other Financing Receipts/(Disbursements)	(321,387)	232,091	105,141	0	15,845
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	154,362	(14,902)	(60,374)	(5,454)	73,632
Fund Cash Balances January 1, 1999	130,219	154,684	139,512	7,305	431,720
Fund Cash Balances, December 31, 1999	\$284,581	\$139,782	\$79,138	\$1,851	\$505,352

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

**VILLAGE OF BURTON
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Cash Receipts:			
Charges for Services	\$481,429	\$0	\$481,429
Miscellaneous	34,668	0	34,668
	<u>516,097</u>	<u>0</u>	<u>516,097</u>
Operating Cash Disbursements:			
Personal Services	114,666	0	114,666
Travel Transportation	189	0	189
Contractual Services	170,131	0	170,131
Supplies and Materials	12,652	0	12,652
Capital Outlay	33,235	0	33,235
	<u>330,873</u>	<u>0</u>	<u>330,873</u>
Operating Income/(Loss)	<u>185,224</u>	<u>0</u>	<u>185,224</u>
Non-Operating Cash Receipts:			
Intergovernmental Receipts	0	0	0
Miscellaneous	24,060	10,405	34,465
	<u>24,060</u>	<u>10,405</u>	<u>34,465</u>
Non-Operating Cash Disbursements:			
Debt Service	251,190	0	251,190
	<u>251,190</u>	<u>0</u>	<u>251,190</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(41,906)	10,405	(31,501)
Transfers-In	230,917	0	230,917
Advances-In	0	0	0
Transfers-Out	(261,058)	0	(261,058)
	<u>(72,047)</u>	<u>10,405</u>	<u>(61,642)</u>
Fund Cash Balances, January 1, 1999	<u>585,900</u>	<u>12,019</u>	<u>597,919</u>
Fund Cash Balances, December 31, 1999	<u>\$513,853</u>	<u>\$22,424</u>	<u>\$536,277</u>

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

**VILLAGE OF BURTON
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$336,134	\$67,204	\$0	\$0	\$403,338
Special Assessments	0	24,745	0	0	24,745
Intergovernmental Receipts	90,297	93,152	44,749	0	228,198
Charges for Services	10,028	8,440	0	16,040	34,508
Fines, Licenses, and Permits	28,647	0	0	0	28,647
Miscellaneous	22,353	8,928	24,134	0	55,415
	<u>487,459</u>	<u>202,469</u>	<u>68,883</u>	<u>16,040</u>	<u>774,851</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	144,573	68,793	0	0	213,366
Public Health Services	0	10,741	0	0	10,741
Leisure Time Activities	11,419	0	0	0	11,419
Community Environment	10,010	0	0	13,641	23,651
Basic Utility Services	0	35,459	0	0	35,459
Transportation	0	129,996	0	0	129,996
General Government	106,550	0	0	0	106,550
Debt Service:					
Principal Payments	0	0	5,628	0	5,628
Capital Outlay	273	639	200,403	0	201,315
	<u>272,825</u>	<u>245,628</u>	<u>206,031</u>	<u>13,641</u>	<u>738,125</u>
Total Receipts Over/(Under) Disbursements	<u>214,634</u>	<u>(43,159)</u>	<u>(137,148)</u>	<u>2,399</u>	<u>36,726</u>
Other Financing Receipts/(Disbursements):					
Sale of Fixed Assets	5,556	0	0	0	5,556
Transfers-In	50,000	108,223	139,076	0	297,299
Advances-In	2,550	0	0	2,550	5,100
Transfers-Out	(273,223)	0	(24,076)	0	(297,299)
Advances-Out	(2,550)	0	0	(2,550)	(5,100)
Other Uses	(5,260)	(13,707)	0	0	(18,967)
	<u>(222,927)</u>	<u>94,516</u>	<u>115,000</u>	<u>0</u>	<u>(13,411)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(8,293)	51,357	(22,148)	2,399	23,315
Fund Cash Balances January 1, 1998	<u>138,512</u>	<u>103,327</u>	<u>161,660</u>	<u>4,906</u>	<u>408,405</u>
Fund Cash Balances, December 31, 1998	<u>\$130,219</u>	<u>\$154,684</u>	<u>\$139,512</u>	<u>\$7,305</u>	<u>\$431,720</u>

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

**VILLAGE OF BURTON
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES - PROPRIETARY AND FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Types	Fiduciary Fund Types	Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	
Operating Cash Receipts:			
Charges for Services	\$474,925	\$0	\$474,925
Miscellaneous	39,531	0	39,531
Total Operating Cash Receipts	<u>514,456</u>	<u>0</u>	<u>514,456</u>
Operating Cash Disbursements:			
Personal Services	102,178	0	102,178
Travel Transportation	455	0	455
Contractual Services	162,067	0	162,067
Supplies and Materials	10,779	0	10,779
Capital Outlay	19,144	575	19,719
Total Operating Cash Disbursements	<u>294,623</u>	<u>575</u>	<u>295,198</u>
Operating Income/(Loss)	<u>219,833</u>	<u>(575)</u>	<u>219,258</u>
Non-Operating Cash Receipts:			
Proceeds from Notes	130,000	0	130,000
Miscellaneous	23,728	125	23,853
Total Non-Operating Cash Receipts	<u>153,728</u>	<u>125</u>	<u>153,853</u>
Non-Operating Cash Disbursements:			
Debt Service	<u>272,251</u>	<u>0</u>	<u>272,251</u>
Total Non-Operating Cash Disbursements	<u>272,251</u>	<u>0</u>	<u>272,251</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	101,310	(450)	100,860
Transfers-In	144,267	0	144,267
Transfers-Out	<u>(144,267)</u>	<u>0</u>	<u>(144,267)</u>
Net Receipts Over/(Under) Disbursements	101,310	(450)	100,860
Fund Cash Balances, January 1, 1998	<u>484,590</u>	<u>12,469</u>	<u>497,059</u>
Fund Cash Balances, December 31, 1998	<u>\$585,900</u>	<u>\$12,019</u>	<u>\$597,919</u>

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

**VILLAGE OF BURTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Burton, Geauga County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council and Mayor. The Village provides general governmental services, including water and sewer, park operation (recreation), and police services. The Village contracts with the Burton Volunteer Fire and Rescue Department for fire and ambulance services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trust or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

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 BURTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Village had the following significant Capital Project Funds:

Street Capitalization Fund - This fund is used to pay for street repair projects within the Village.

Sludge Tank Issue 2 Fund - This fund is used to pay for construction expenses and the installation of a sludge tank required by the EPA.

4. 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 and maintaining this utility.

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

Water Note Retirement Fund - This fund is used to retire note debt incurred for the improvement of the Village water lines.

5. Fiduciary Funds (Trust 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. The Village had the following significant Fiduciary Fund:

Annexation Review Fund - This fund is used to hold deposits from persons, firms, or corporations to cover costs incurred by the Village to review any proposal for annexation of property outside the Village.

**VILLAGE OF BURTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(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 fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 364,800	\$ 435,818
Total deposits	<u>364,800</u>	<u>435,818</u>
STAR Ohio	<u>676,829</u>	<u>593,821</u>
Total investments	<u>676,829</u>	<u>593,821</u>
Total deposits and investments	<u><u>\$ 1,041,629</u></u>	<u><u>\$ 1,029,639</u></u>

VILLAGE OF BURTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

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

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 480,761	\$ 622,813	\$ 142,052
Special Revenue	498,993	447,615	(51,378)
Capital Projects	265,500	245,141	(20,359)
Enterprise	777,800	771,074	(6,726)
Fiduciary	37,650	16,234	(21,416)
Total	<u>\$ 2,060,704</u>	<u>\$ 2,102,877</u>	<u>\$ 42,173</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 534,353	\$ 468,451	\$ 65,902
Special Revenue	604,630	462,517	142,113
Capital Projects	373,528	305,515	68,013
Enterprise	1,173,100	843,121	329,979
Fiduciary	32,800	11,283	21,517
Total	<u>\$ 2,718,411</u>	<u>\$ 2,090,887</u>	<u>\$ 627,524</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 531,776	\$ 543,015	\$ 11,239
Special Revenue	342,080	310,692	(31,388)
Capital Projects	368,500	207,959	(160,541)
Enterprise	712,500	812,451	99,951
Fiduciary	31,350	16,165	(15,185)
Total	<u>\$ 1,986,206</u>	<u>\$ 1,890,282</u>	<u>\$ (95,924)</u>

VILLAGE OF BURTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 640,157	\$ 551,308	\$ 88,849
Special Revenue	402,123	259,335	142,788
Capital Projects	473,226	230,107	243,119
Enterprise	1,025,650	711,141	314,509
Fiduciary	28,450	14,216	14,234
Total	\$ 2,569,606	\$ 1,766,107	\$ 803,499

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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 with the County by each April 30.

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

5. INCOME TAX

The Village levies an income tax of 1% on gross salaries, wages and other personal service compensation earned by residents of the Village and on the earnings of nonresidents working within the Village. The tax also applies to the net income of businesses operating within the Village.

6. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Mortgage Revenue Bonds - Water E6A	\$ 275,000	7.13%
Mortgage Revenue Bonds - Sewer E6B	200,000	5%
Special Assessment Bonds	295,000	5.25 & 6.15%
Ohio Public Works Issue II Loan - D7	33,460	0%
Ohio Public Works Issue II Loan - D8	28,139	0%
Total	\$ 831,599	

VILLAGE OF BURTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

6. DEBT (Continued)

The Mortgage Revenue Bonds - Water, relate to a water construction project in 1987. The bonds were issued in the amount of \$550,000 and will be repaid in annual varying principal installments plus interest over 20 years.

The Mortgage Revenue Bonds - Sewer, relate to a sewer construction project in 1976. The bonds were issued in the amount of \$296,000 and will be repaid in annual varying principal installments plus interest over 40 years.

The Special Assessment Bonds relate to a water main construction project. The Special Assessment Bonds were issued in the amount of \$323,000. The Bonds will be repaid in annual varying principal installments plus interest over 15 years.

The Ohio Public Works Issue II Loan - D7, relate to ammonia and phosphorous treatments for the water treatment plant. This no interest loan was issued in 1996 in the amount of \$83,650 and will be repaid in annual installments of \$11,153 over 7 years.

The Ohio Public Works Issue II Loan - D8, relate to water main replacement and road repaving construction project. This no interest loan was issued in 1996 in the amount of \$53,463 and will be repaid in annual installments of \$5,628 over 9 years. This debt is being paid from a Capital Projects Fund.

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

Year ending December 31:	Mortgage Revenue Bonds Water	Mortgage Revenue Bonds-Sewer System	Special Assessment Bonds	Ohio Public Works Issue II Loan - D7	Ohio Public Works Issue II Loan - D8
2000	\$ 49,594	\$ 18,000	\$ 30,488	\$ 11,153	\$ 5,628
2001	52,456	17,000	29,700	11,153	5,628
2002	49,963	18,200	33,912	11,154	5,628
2003	52,469	17,750	32,863	0	5,628
2004	49,619	17,300	33,837	0	5,627
Subsequent	105,331	213,250	265,885	0	0
Total	<u>\$ 359,432</u>	<u>\$ 301,500</u>	<u>\$ 426,685</u>	<u>\$ 33,460</u>	<u>\$ 28,139</u>

7. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of regular participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

VILLAGE OF BURTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

8. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

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

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STATE OF OHIO
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Burton
Geauga County
14588 West Park Street, Box 408
Burton, Ohio 44021

To the Village Council:

We have audited the financial statements of the Village of Burton, Geauga County, Ohio, (the Village) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated May 16, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Village in a separate letter dated May 16, 2000.

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

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

Jim Petro
Auditor of State

May 16, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF BURTON

GEAUGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 6, 2000**