



**VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Roaming Shores
Ashtabula County
2500 Hayford Road
PO Box 237
Roaming Shores, Ohio 44084

To the Village Council:

We have audited the accompanying financial statements of the Village of Roaming Shores (the Village) as of and for the years ended December 31 2001 and 2000. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 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 as of December 31 2001 and 2000, 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 February 12, 2002 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

February 12, 2002

VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY

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

| | <u>Governmental Fund Types</u> | | | Totals (Memorandum Only) |
|--|--------------------------------|----------------------------|-------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | |
| Cash Receipts: | | | | |
| Property Tax and Other Local Taxes | \$81,001 | | \$72,089 | \$153,090 |
| Intergovernmental Receipts | 22,190 | \$61,557 | 9,451 | 93,198 |
| Fines, Licenses, and Permits | 9,098 | | | 9,098 |
| Earnings on Investments | 37,311 | | | 37,311 |
| Miscellaneous | <u>74,327</u> | <u>9,307</u> | | <u>83,634</u> |
| Total Cash Receipts | <u>223,927</u> | <u>70,864</u> | <u>81,540</u> | <u>376,331</u> |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Security of Persons and Property | 161,196 | | | 161,196 |
| Public Health Services | 16,872 | | | 16,872 |
| Community Environment | 9,367 | | | 9,367 |
| Transportation | | 131,287 | | 131,287 |
| General Government | 46,491 | | | 46,491 |
| Debt Service: | | | | |
| Principal Payments | | | 37,691 | 37,691 |
| Interest Payments | | | 51,633 | 51,633 |
| Capital Outlay | <u>25,658</u> | <u>190</u> | | <u>25,848</u> |
| Total Cash Disbursements | <u>259,584</u> | <u>131,477</u> | <u>89,324</u> | <u>480,385</u> |
| Total Receipts Over/(Under) Disbursements | <u>(35,657)</u> | <u>(60,613)</u> | <u>(7,784)</u> | <u>(104,054)</u> |
| Other Financing Receipts/(Disbursements): | | | | |
| Transfers-In | | | 37,953 | 37,953 |
| Advances-In | 2,103 | | | 2,103 |
| Advances-Out | | <u>(2,103)</u> | | <u>(2,103)</u> |
| Total Other Financing Receipts/(Disbursements) | <u>2,103</u> | <u>(2,103)</u> | <u>37,953</u> | <u>37,953</u> |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | (33,554) | (62,716) | 30,169 | (66,101) |
| Fund Cash Balances, January 1 | <u>294,195</u> | <u>177,753</u> | <u>226,198</u> | <u>698,146</u> |
| Fund Cash Balances, December 31 | <u>\$260,641</u> | <u>\$115,037</u> | <u>\$256,367</u> | <u>\$632,045</u> |

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

**VILLAGE OF ROAMING SHORES
ASHTABULA 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, 2001**

| | <u>Proprietary Fund Types</u> | <u>Fiduciary Fund Types</u> | <u>Totals (Memorandum Only)</u> |
|--|-----------------------------------|---------------------------------|---|
| | <u>Enterprise</u> | <u>Agency</u> | |
| Operating Cash Receipts: | | | |
| Charges for Services | \$811,735 | | \$811,735 |
| Operating Cash Disbursements: | | | |
| Personal Services | 156,382 | | 156,382 |
| Contractual Services | 106,757 | | 106,757 |
| Supplies and Materials | 375,980 | | 375,980 |
| Capital Outlay | <u>1,308,326</u> | | <u>1,308,326</u> |
| Total Operating Cash Disbursements | <u>1,947,445</u> | | <u>1,947,445</u> |
| Operating Income/(Loss) | <u>(1,135,710)</u> | | <u>(1,135,710)</u> |
| Non-Operating Cash Receipts: | | | |
| Property Tax and Other Local Taxes | 53,491 | | 53,491 |
| Intergovernmental Receipts | 6,973 | | 6,973 |
| Proceeds from Notes and Bonds | 1,297,547 | | 1,297,547 |
| Other Non-Operating Receipts | | <u>60</u> | <u>60</u> |
| Total Non-Operating Cash Receipts | <u>1,358,011</u> | <u>60</u> | <u>1,358,071</u> |
| Non-Operating Cash Disbursements: | | | |
| Debt Service | <u>93,454</u> | | <u>93,454</u> |
| Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances | 128,847 | 60 | 128,907 |
| Transfers-In | 108,435 | | 108,435 |
| Transfers-Out | <u>(146,388)</u> | | <u>(146,388)</u> |
| Net Receipts Over/(Under) Disbursements | 90,894 | 60 | 90,954 |
| Fund Cash Balances, January 1 | <u>558,278</u> | <u>728</u> | <u>559,006</u> |
| Fund Cash Balances, December 31 | <u><u>\$649,172</u></u> | <u><u>\$788</u></u> | <u><u>\$649,960</u></u> |

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

VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY

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

| | Governmental Fund Types | | | Totals (Memorandum Only) |
|---|-------------------------|--------------------|------------------|--------------------------------|
| | General | Special Revenue | Debt Service | |
| Cash Receipts: | | | | |
| Property Tax and Other Local Taxes | \$79,710 | | \$71,273 | \$150,983 |
| Intergovernmental Receipts | 75,537 | \$65,884 | 9,386 | 150,807 |
| Fines, Licenses, and Permits | 9,900 | | | 9,900 |
| Earnings on Investments | 57,115 | | | 57,115 |
| Miscellaneous | 63,936 | 9,215 | | 73,151 |
| Total Cash Receipts | 286,198 | 75,099 | 80,659 | 441,956 |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Security of Persons and Property | 125,302 | 20,926 | | 146,228 |
| Public Health Services | 15,565 | | | 15,565 |
| Community Environment | 8,362 | 450 | | 8,812 |
| Transportation | | 39,122 | | 39,122 |
| General Government | 54,505 | | | 54,505 |
| Debt Service: | | | | |
| Principal Payments | | | 36,541 | 36,541 |
| Interest Payments | | | 54,138 | 54,138 |
| Capital Outlay | 11,177 | | | 11,177 |
| Total Cash Disbursements | 214,911 | 60,498 | 90,679 | 366,088 |
| Total Receipts Over/(Under) Disbursements | 71,287 | 14,601 | (10,020) | 75,868 |
| Other Financing Receipts/(Disbursements): | | | | |
| Sale of Fixed Assets | 7,305 | | | 7,305 |
| Transfers-In | | | 39,306 | 39,306 |
| Advances-In | | 2,377 | | 2,377 |
| Advances-Out | (2,377) | | | (2,377) |
| Total Other Financing Receipts/(Disbursements) | 4,928 | 2,377 | 39,306 | 46,611 |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | 76,215 | 16,978 | 29,286 | 122,479 |
| Fund Cash Balances January 1 | 217,980 | 160,775 | 196,912 | 575,667 |
| Fund Cash Balances, December 31 | \$294,195 | \$177,753 | \$226,198 | \$698,146 |

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

VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY

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

| | Proprietary Fund Types | Fiduciary Fund Types | Totals (Memorandum Only) |
|--|-----------------------------------|---------------------------------|---|
| | Enterprise | Agency | |
| Operating Cash Receipts: | | | |
| Charges for Services | \$730,228 | | \$730,228 |
| Operating Cash Disbursements: | | | |
| Personal Services | 163,834 | | 163,834 |
| Contractual Services | 47,933 | | 47,933 |
| Supplies and Materials | 358,118 | | 358,118 |
| Capital Outlay | 13,643 | | 13,643 |
| Total Operating Cash Disbursements | 583,528 | | 583,528 |
| Operating Income/(Loss) | 146,700 | | 146,700 |
| Non-Operating Cash Receipts: | | | |
| Property Tax and Other Local Taxes | 52,774 | | 52,774 |
| Intergovernmental Receipts | 6,920 | | 6,920 |
| Other Non-Operating Receipts | | 728 | 728 |
| Total Non-Operating Cash Receipts | 59,694 | 728 | 60,422 |
| Non-Operating Cash Disbursements: | | | |
| Debt Service | 92,589 | | 92,589 |
| Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances | 113,805 | 728 | 114,533 |
| Transfers-In | 108,718 | | 108,718 |
| Transfers-Out | (148,024) | | (148,024) |
| Net Receipts Over/(Under) Disbursements | 74,499 | 728 | 75,227 |
| Fund Cash Balances, January 1 | 483,779 | | 483,779 |
| Fund Cash Balances, December 31 | \$558,278 | \$728 | \$559,006 |

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

**VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Roaming Shores, Ashtabula County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides water and sewer utilities, park operations. The Village contracts with the Ashtabula County Sheriff's department to provide security of persons and property. The Village contracts with Rome and Morgan Townships 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 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

Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Fund

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

**VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Debt Service Fund

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

General Obligation Fund - This Fund is used to pay the note for improving the Village's streets.

General Obligation Fund # 2 -This fund receives property taxes to improve the Village's waterworks system

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 this utility.

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

5. Fiduciary Funds (Agency Fund)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund: Unclaimed Monies.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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.

**VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2001 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investment 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>2001</u> | <u>2000</u> |
|--------------------------------|--------------------|--------------------|
| Demand deposits | \$ 71,501 | \$ 40,173 |
| Investments - STAR Ohio | <u>1,210,505</u> | <u>1,216,979</u> |
| Total deposits and investments | <u>\$1,282,006</u> | <u>\$1,257,152</u> |

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

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

**VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

| 2001 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$218,000 | \$223,927 | \$5,927 |
| Special Revenue | 69,500 | 70,864 | 1,364 |
| Debt Service | 118,953 | 119,493 | 540 |
| Enterprise | 2,266,435 | 2,278,181 | 11,746 |
| Fiduciary | 0 | 60 | 60 |
| Total | <u>\$2,672,888</u> | <u>\$2,692,525</u> | <u>\$19,637</u> |

| 2001 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$308,160 | \$259,584 | \$48,576 |
| Special Revenue | 176,000 | 131,477 | 44,523 |
| Debt Service | 90,326 | 89,324 | 1,002 |
| Enterprise | 2,247,500 | 2,187,287 | 60,213 |
| Fiduciary | 0 | 0 | 0 |
| Total | <u>\$2,821,986</u> | <u>\$2,667,672</u> | <u>\$154,314</u> |

| 2000 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$283,000 | \$293,503 | \$10,503 |
| Special Revenue | 75,322 | 75,099 | (223) |
| Debt Service | 119,956 | 119,965 | 9 |
| Enterprise | 897,718 | 898,640 | 922 |
| Fiduciary | 0 | 728 | 728 |
| Total | <u>\$1,375,996</u> | <u>\$1,387,935</u> | <u>\$11,939</u> |

| 2000 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$268,327 | \$214,911 | \$53,416 |
| Special Revenue | 122,327 | 60,498 | 61,829 |
| Debt Service | 90,781 | 90,679 | 102 |
| Enterprise | 958,519 | 824,141 | 134,378 |
| Fiduciary | 0 | 0 | 0 |
| Total | <u>\$1,439,954</u> | <u>\$1,190,229</u> | <u>\$249,725</u> |

**VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

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.

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

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

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

| | <u>Principal</u> | <u>Interest Rate</u> |
|---------------------------------------|--------------------|----------------------|
| Ohio Water Development Authority Loan | \$458,852 | 6.56% |
| General Obligation Bonds | 266,000 | 7.13% |
| Mortgage Revenue Bonds | 1,042,000 | 7.13% |
| Total | <u>\$1,766,852</u> | |

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$548,512 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$25,009.12, including interest, over 20 years. The scheduled payment amount below assumes that \$548,512 will be borrowed. The scheduled payment will be adjusted to reflect any revisions in amounts actually borrowed. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The General Obligation Bonds and Mortgage Revenue Bonds relates to acquiring and improving an existing sanitary sewer system and waterworks system General Obligation Bonds are for 30 years and the Mortgage Revenue Bonds are for 40 years.

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

| <u>Year ending December 31:</u> | <u>OWDA Loan</u> | <u>General Obligation Bonds</u> | <u>Mortgage Revenue Bonds</u> |
|---------------------------------|----------------------|---|---------------------------------------|
| 2002 | \$50,018 | \$37,953 | \$93,171 |
| 2003 | 50,018 | 36,599 | 92,818 |
| 2004 | 50,018 | 35,245 | 93,393 |
| 2005 | 50,018 | 33,891 | 93,825 |
| 2006 | 50,018 | 32,538 | 93,115 |
| Subsequent | 475,171 | 231,919 | 1,679,904 |
| Total | <u>\$725,261</u> | <u>\$408,145</u> | <u>\$2,146,226</u> |

**VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, OP&F participants contributed 6.5% of their wages, and the Village had a "pick-up" of 3.5% of participant wages, for a total contribution of 10%. The Village contributed an amount equal to 19.5% of police participant wages. PERS members contributed 5.0% of their wages, and the Village had a "pick-up" of 3.5% of participants wages, for a total contribution of 8.5%. The Village contributed an amount equal to 13.55% in 2001 and 10.84% in 2000 of PERS participants' gross salaries. The Village has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Village of Roaming Shores
Ashtabula County
2500 Hayford Road
PO Box 237
Roaming Shores, Ohio 44084

To the Village Council:

We have audited the accompanying financial statements of the Village of Roaming Shores (the Village) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated February 12, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted one immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated February 12, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 management of the Village in a separate letter dated February 12, 2002.

Village of Roaming Shores
Ashtabula County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended solely for the information and use of management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

February 12, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF ROAMING SHORES

ASHTABULA 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
MARCH 19, 2002**