

**VILLAGE OF BROOKSIDE  
BELMONT COUNTY**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**



**SEACHRIST, KENNON & MARLING, A.C.  
CERTIFIED PUBLIC ACCOUNTANTS**





**Auditor of State  
Betty Montgomery**

Village Council  
Village of Brookside  
875 National Rd.  
Bridgeport, OH 43912

We have reviewed the *Independent Auditor's Report* of the Village of Brookside, Belmont County, prepared by Seachrist, Kennon & Marling, A.C, for the audit period January 1, 2004 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

October 11, 2006

**This Page is Intentionally Left Blank.**

**VILLAGE OF BROOKSIDE, BELMONT COUNTY**  
**TABLE OF CONTENTS**  
**DECEMBER 31, 2005**

	<u>PAGE</u>
Independent Auditor's Report.....	1 - 2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2005 .....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Types – For the Year Ended December 31, 2005 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2004 .....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Types – For the Year Ended December 31, 2004 .....	6
Notes to Financial Statements.....	7 - 13
Independent Auditor's Report on Compliance and on Internal Control Required By <i>Government Auditing Standards</i> .....	14 - 15
Schedule of Findings.....	16 - 17
Schedule of Prior Audit Findings.....	18

# **SEACHRIST, KENNON, & MARLING, A.C.**

CERTIFIED PUBLIC ACCOUNTANTS \* BUSINESS CONSULTANTS

Craig K. Seachrist, CPA, CVA  
Diana L. Kennon, CPA, CVA  
Ronnie L. Marling, CPA, CFE  
James M. Riley, CPA  
J.W. Freeland, CPA  
Julie A. Kerns, CPA  
Chantelle S. Parrish, CPA

**Wheeling Office**  
21 Waddles Run Road  
Wheeling, WV 26003  
Telephone: (304) 233-0141  
Fax: (304) 233-1226  
cpa@skmcpa.com

**Bridgeport Office**  
869 National Road  
Bridgeport, OH 43912  
Telephone: (740) 635-0431  
Fax: (740) 635-4710

## **INDEPENDENT AUDITOR'S REPORT**

Village of Brookside  
Belmont County  
875 National Road  
Bridgeport, OH 43912

To the Village Council:

We have audited the accompanying financial statements of the Village of Brookside, Belmont County, (the Government) as of and for the years ended December 31, 2004 and 2005. These financial statements are the responsibility of the Government's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 that our audits provide a reasonable basis for our opinion.

As described more fully in Note 1, the government 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. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Government as of December 31, 2004 and 2005, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Brookside, Belmont County, as of December 31, 2004 and 2005 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 July 28, 2006, on our consideration of the Government'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. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. 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 audits.

*Seachrist, Kennon & Mauling, A.C.*  
Wheeling, West Virginia  
July 28, 2006

**VILLAGE OF BROOKSIDE  
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<b>Cash Receipts</b>			
Property tax and other local taxes	\$ 64,876	\$ 19,757	\$ 84,634
Intergovernmental receipts	62,286	29,983	92,268
Charges for services	9,884	588	10,472
Fines, licenses, and permits	4,588	130	4,718
Earnings on investments	1,770	431	2,201
Restricted receipts	-	31,784	31,784
Miscellaneous	1,706	2,338	4,044
Total Cash Receipts	145,110	85,011	230,121
<b>Cash Disbursements</b>			
Current			
Security of persons and property	22,416	24,987	47,403
Public health services	7,656	-	7,656
Leisure time activities	1,944	-	1,944
Community environments	-	-	-
Basic utility services	3,592	731	4,323
Transportation	9,338	15,378	24,716
General government	49,348	2,179	51,527
Debt Service			
Principal payments	25,749	7,780	33,529
Interest payments	1,513	289	1,802
Capital Outlay	20,835	40,640	61,475
Total Cash Disbursements	142,391	91,984	234,375
Total Cash Receipts Over (Under) Cash Disbursements	2,719	(6,973)	(4,254)
<b>Other Financing Receipts (Disbursements)</b>			
Sale of bonds or notes	21,164	-	21,164
Transfers in	8,574	7,557	16,131
Transfers out	(793)	(15,338)	(16,131)
Other financing uses	-	-	-
Total Other Financing Receipts (Disbursements)	28,945	(7,781)	21,164
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash (Disbursements) and Other Financing Receipts (Disbursements)	31,664	(14,754)	16,910
Fund Cash Balances, January 1	88,065	51,458	139,523
Fund Cash Balances, December 31	\$ 119,729	\$ 36,704	\$ 156,433

The accompanying notes are an integral part of these financial statements.



**VILLAGE OF BROOKSIDE  
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts</b>	
Charges for services	\$ 2,191
Total Operating Cash Receipts	2,191
<b>Operating Cash Disbursements</b>	
Contractual services	214
Total Operating Cash Disbursements	214
Operating Income	1,977
Fund Cash Balance, January 1	10,273
Fund Cash Balance, December 31	\$ 12,250

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF BROOKSIDE  
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<b>Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	
<b>Cash Receipts</b>			
Property tax and other local taxes	\$ 39,804	\$ 20,631	\$ 60,435
Intergovernmental receipts	62,103	27,203	89,306
Charges for services	10,089	394	10,483
Fines, licenses, and permits	4,925	200	5,125
Earnings on investments	2,338	309	2,647
Restricted receipts	-	101,498	101,498
Miscellaneous	26,731	3,000	29,731
Total Cash Receipts	145,990	153,235	299,225
<b>Cash Disbursements</b>			
Current			
Security of persons and property	21,768	8,430	30,198
Public health services	9,641	-	9,641
Leisure time activities	2,071	-	2,071
Community environments	25	-	25
Basic utility services	4,305	342	4,647
Transportation	23,669	13,606	37,275
General government	48,271	-	48,271
Debt Service			
Principal payments	36,051	22,898	58,949
Interest payments	2,149	1,065	3,214
Capital Outlay	26,302	82,993	109,295
Total Cash Disbursements	174,252	129,334	303,586
Total Cash Receipts Over (Under) Cash Disbursements	(28,262)	23,901	(4,361)
<b>Other Financing Receipts (Disbursements)</b>			
Sale of bonds or notes	25,740	8,000	33,740
Transfers in	8,951	-	8,951
Transfers out	(6,096)	(2,855)	(8,951)
Other financing uses	(445)	-	(445)
Total Other Financing Receipts (Disbursements)	28,150	5,145	33,295
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash (Disbursements) and Other Financing Receipts (Disbursements)			
	(112)	29,046	28,934
Fund Cash Balances, January 1	88,177	22,412	110,589
Fund Cash Balances, December 31	\$ 88,065	\$ 51,458	\$ 139,523

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BROOKSIDE  
BELMONT COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for services	<u>\$ 2,005</u>
Total Operating Cash Receipts	2,005
<b>Operating Cash Disbursements</b>	
Contractual services	<u>218</u>
Total Operating Cash Disbursements	<u>218</u>
Operating Income	1,787
Fund Cash Balance, January 1	<u>8486</u>
Fund Cash Balance, December 31	<u><u>\$ 10,273</u></u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF BROOKSIDE, BELMONT COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005 AND 2004**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

DESCRIPTION OF THE ENTITY

The Village of Brookside, Belmont 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, maintenance of Village streets, park operations, and fire and emergency medical services. The Village contracts with the Village of Bridgeport to provide police protection services. The Village is involved with the East Ohio Regional Wastewater Authority, Bel-O-Mar Regional Council and Eastern Ohio Regional Transit Authority which are defined as jointly governed organizations. Additional information concerning the jointly governed organization is presented in Note 8.

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

BASIS OF ACCOUNTING

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of the 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.

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

CASH

Investments are reported as assets. 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 and disbursements.

Certificates of deposit are valued at cost.

**VILLAGE OF BROOKSIDE, BELMONT COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005 AND 2004**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Government Fund Types:

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.

Special Revenue Fund – These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are legally restricted to expenditures 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 the Village streets.

Fire Levy Fund – This fund receives property tax revenues and proceeds from fire contracts to provide fire protection to Village residents.

Proprietary Fund Types:

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 Fund:

Water Operating Fund – This fund receives charges for services from residents and Belmont County to cover the cost of providing and maintaining water and sewer lines.

**VILLAGE OF BROOKSIDE, BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**

**BUDGETARY PROCESS**

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

Appropriations – Budgetary expenditures 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.

Estimated Resources – Estimated resources include estimates of cash to be received plus cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances – The Ohio Revised Code requires the Village to reserve appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of the 2005 and 2004 budgetary activity appears in Note 3.

**PLANT, PROPERTY 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.

**NOTE 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>2005</u>	<u>2004</u>
Demand deposits	\$ 131,280	\$ 87,597
Certificates of deposit	<u>37,403</u>	<u>62,199</u>
Total Deposits	<u>168,683</u>	<u>149,796</u>

Deposits are either insured by the Federal Deposits Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

**VILLAGE OF BROOKSIDE, BELMONT COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005 AND 2004**

**NOTE 3 – BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

Fund Type	2005 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 143,500	\$ 174,848	\$ 31,348
Special Revenue	115,962	92,568	(23,394)
Enterprise	2,500	2,191	(309)
Capital Projects	<u>51</u>	<u>-0-</u>	<u>(51)</u>
Total	<u>\$ 262,013</u>	<u>\$ 269,607</u>	<u>\$ 7,594</u>

Fund Type	2005 Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 227,761	\$ 143,184	\$ 84,577
Special Revenue	167,213	107,322	59,891
Enterprise	12,000	214	11,786
Capital Projects	<u>6,519</u>	<u>-0-</u>	<u>6,519</u>
Total	<u>\$ 413,493</u>	<u>\$ 250,720</u>	<u>\$ 162,773</u>

Fund Type	2004 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 118,350	\$ 180,681	\$ 62,331
Special Revenue	120,780	161,235	40,455
Enterprise	2,500	2,005	(495)
Capital Projects	<u>371</u>	<u>-0-</u>	<u>(371)</u>
Total	<u>\$ 242,001</u>	<u>\$ 343,921</u>	<u>\$ 101,920</u>

Fund Type	2004 Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 231,625	\$ 180,793	\$ 50,832
Special Revenue	175,546	132,189	43,357
Enterprise	<u>10,000</u>	<u>218</u>	<u>9,782</u>
Total	<u>\$ 417,171</u>	<u>\$ 313,200</u>	<u>\$ 103,971</u>

**VILLAGE OF BROOKSIDE, BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**

NOTE 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 payments, 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.

NOTE 5 – DEBT

Debt outstanding at December 31, 2005 was as follows:

	Principal <u>2004</u>	Principal <u>2005</u>	Interest <u>Rate</u>
General obligation note / installment loan – fire truck	\$ 3,780	\$ -0-	5.95%
General obligation note – Chevy Suburban	4,000	-0-	5.95%
General obligation note – real property	<u>25,736</u>	<u>21,164</u>	5.85%
Total	<u>\$ 33,516</u>	<u>\$ 21,164</u>	

The fire truck general obligation note / installment loan was issued for the purchase of a new fire truck. This debt will be repaid from fire levy proceeds and is backed by the full faith credit of the Village.

The Chevrolet Suburban general obligation note was issued for the purchase of a new vehicle for the Brookside Volunteer Fire Department. This debt will be repaid from fire levy proceeds and is backed by the full faith and credit of the village and has a maturity date of one year or less.



**VILLAGE OF BROOKSIDE, BELMONT COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005 AND 2004**

NOTE 5 – DEBT – (Continued)

The real property general obligation note was issued for the purchase of two tracts of real property located in Brookside. The debt will be repaid from general operating revenue and is backed by the full faith and credit of the Village and has a maturity of one year or less.

NOTE 6 – RETIREMENT SYSTEMS

The Village's officials and part-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides 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 2005 and 2004 OPERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2005 and 2004. The Village has paid all contributions required through December 31, 2005.

NOTE 7 – RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

NOTE 8 – JOINTLY GOVERNED ORGANIZATION

Eastern Ohio Regional Wastewater Authority is established by Ohio Rev. Code Section 6119, serving the municipalities of Bellaire, Brookside, Bridgeport and Martins Ferry. The Authority is operated by a four member Board of Trustees. One member of the Board is appointed by the Mayor of Brookside. The Authority is not dependent on the Village of Brookside for its continued existence and the Village does not maintain an equity interest. The Village does not make any monetary contributions to the Authority.

**VILLAGE OF BROOKSIDE, BELMONT COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005 AND 2004**

NOTE 8 – JOINTLY GOVERNED ORGANIZATIONS – (Continued)

Bel-O-Mar Regional Council is operated as a non-profit organization formed to provide planning and administrative services to all local governments in a four county region comprised of Belmont County, Ohio and three counties in West Virginia. The governing board is comprised of 58 officials from the four county service area of which three members and one alternate member are appointed by each local government within Belmont County. The Mayor of the Village of Brookside serves as the Village's representative on the Board and a Councilman serves as the Village's alternate. The Council is not dependent upon the Village of Brookside for its continued existence, no debt exists and the Village does not maintain an equity interest. Bel-O-Mar Regional Council received \$180 and \$180 in 2005 and 2004 respectively in annual fees.

Eastern Ohio Regional Transit Authority was established to provide transportation to the residents of the Ohio Valley and it statutorily created as a separate and distinct political subdivision of the state. The Authority is operated by a board of directors that is appointed by the nine Mayors of the municipalities served by the Authority. The Authority is not dependent on the Village of Brookside for its continued existence and the Village does not maintain an equity interest. The Authority has no outstanding debt for which the Village of Brookside is responsible.

# **SEACHRIST, KENNON, & MARLING, A.C.**

CERTIFIED PUBLIC ACCOUNTANTS \* BUSINESS CONSULTANTS

Craig K. Seachrist, CPA, CVA  
Diana L. Kennon, CPA, CVA  
Ronnie L. Marling, CPA, CFE  
James M. Riley, CPA  
J.W. Freeland, CPA  
Julie A. Kerns, CPA  
Chantelle S. Parrish, CPA

**Wheeling Office**  
21 Waddles Run Road  
Wheeling, WV 26003  
Telephone: (304) 233-0141  
Fax: (304) 233-1226  
cpa@skmcpa.com

**Bridgeport Office**  
869 National Road  
Bridgeport, OH 43912  
Telephone: (740) 635-0431  
Fax: (740) 635-4710

## **INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Village of Brookside  
Belmont County  
875 National Road  
Bridgeport, OH 43912

To the Village Council:

We have audited the accompanying financial statements of the Village of Brookside, Belmont County, Ohio (the Village), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated July 28, 2006. We conducted our audits 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.

### **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 opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses.

A material weakness is a reportable 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 caused by error or fraud 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 operations that we consider to be material weaknesses.

### Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2005-01, 2005-02, and 2005-03.

This report is intended solely for the information and use of management and Village Council and is not intended for anyone other than these specified parties.

*Seachrist, Kennon E. Mypling, A.C.*

Wheeling, West Virginia  
July 28, 2006

**VILLAGE OF BROOKSIDE, BELMONT COUNTY  
SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2005 AND 2004**

**FINDING NUMBER 2005-01**

**Noncompliance Citation**

Ohio Rev. Code Section 5707.34 requires each taxing authority to pass an ordinance or resolution to authorize the necessary tax levies. The authority is to certify the levies to the county auditor before October 1<sup>st</sup>, unless a later date is approved by the tax commissioner.

The Village did not certify the 2005 tax levy to the county auditor until October 11, 2004.

We recommend that the Village certify the necessary tax levies to the county auditor prior to October 1<sup>st</sup>.

Official's Response: Village officials are aware that the tax levies should be certified to the county auditor prior to October 1<sup>st</sup> and will call special meetings if necessary to assure that all future tax levies are certified by the October 1<sup>st</sup> deadline.

**FINDING NUMBER 2005-02**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.39 provides that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Total appropriations for the years ended December 31, 2005 and 2004 exceeded estimated total resources by \$2,305 and \$5,514 respectively.

We recommend that the Village acquire the necessary certificates of estimated resources so that total appropriations will not exceed the estimated resources.

Official's Response: Village officials are aware of this and will acquire all necessary certificates of estimated resources.

**VILLAGE OF BROOKSIDE, BELMONT COUNTY  
SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2005 AND 2004**

**FINDING NUMBER 2005-03**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.40 provides that any appropriation measure may be amended or supplemented if the entity complies with the same laws used in making the original appropriation.

For the years ended December 31, 2005 and 2004 the Village obtained amended appropriations but they were not supported by resolution or ordinance.

We recommend that all amended appropriations be approved by resolution or ordinance.

Official's Response: Village officials agree with this finding and will obtain resolutions or ordinances for all amended appropriations.

**VILLAGE OF BROOKSIDE, BELMONT COUNTY  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2005 AND 2004**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected</b>	<b>Not corrected, Partially Corrected, Significantly Difference Corrective Action Taken, or Finding no Longer Valid</b>
2003-001	Ohio Rev. Code Sections 5705.36 did not obtain an amended certificate of estimated resources	Yes	N/A
2003-002	Ohio Rev. Code 5705.41(B) expenditures which exceeded appropriations	Yes	N/A
2003-003	Receipt classification and postings	Yes	N/A
2003-004	Note rollovers	Yes	N/A







**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**VILLAGE OF BROOKSIDE**

**BELMONT 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  
OCTOBER 23, 2006**