



**VILLAGE OF BURTON
GEAUGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007



Mary Taylor, CPA
Auditor of State

VILLAGE OF BURTON
GEAUGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2008	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, 2008	6
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2007	7
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, 2007	8
Notes to the Financial Statements	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	17
Schedule of Prior Audit Findings	19

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Mary Taylor, CPA
Auditor of State

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

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 10, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Burton
Geauga County
14588 West Park Street
PO Box 24
Burton, Ohio 44021

To the Village Council:

We have audited the accompanying financial statements of the Village of Burton, Geauga County, (the Village) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of 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 villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

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, 2008 and 2007 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, 2008 and 2007, or its changes in financial position or cash flows of its proprietary funds 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 Burton, Geauga County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2009, 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.



Mary Taylor, CPA
Auditor of State

September 10, 2009

**VILLAGE OF BURTON
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Local Taxes	\$70,910	\$144,915		\$215,825
Municipal Income Tax	501,919			501,919
Intergovernmental	68,902	122,859		191,761
Special Assessments		24	\$12,971	12,995
Charges for Services	21,251	12,466		33,717
Fines, Licenses and Permits	620	2,605		3,225
Earnings on Investments	13,684	3,985		17,669
Miscellaneous	435	3,880		4,315
	<u>677,721</u>	<u>290,734</u>	<u>12,971</u>	<u>981,426</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property		324,603		324,603
Public Health Services		14,051		14,051
Leisure Time Activities	16,819	7,002		23,821
Community Environment	15,827			15,827
Transportation		251,179		251,179
General Government	196,484	29,768		226,252
Debt Service:				
Redemption of Principal			18,480	18,480
Capital Outlay	18,243	3,123	64,425	85,791
	<u>247,373</u>	<u>629,726</u>	<u>82,905</u>	<u>960,004</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>430,348</u>	<u>(338,992)</u>	<u>(69,934)</u>	<u>21,422</u>
Other Financing Receipts / (Disbursements):				
Sale of Fixed Assets	1,227			1,227
Transfers-In	48,704	366,186	3,880	418,770
Advances-In		35,000	101,100	136,100
Transfers-Out	(363,880)	(54,890)		(418,770)
Advances-Out	(136,100)			(136,100)
Other Sources		4,215		4,215
Other Financing Uses	(3,700)			(3,700)
	<u>(453,749)</u>	<u>350,511</u>	<u>104,980</u>	<u>1,742</u>
Total Other Financing Receipts / (Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(23,401)	11,519	35,046	23,164
Fund Cash Balances, January 1	<u>307,439</u>	<u>336,484</u>	<u>200,462</u>	<u>844,385</u>
Fund Cash Balances, December 31	<u>\$284,038</u>	<u>\$348,003</u>	<u>\$235,508</u>	<u>\$867,549</u>
Reserve for Encumbrances, December 31	<u>\$1,121</u>	<u>\$8,111</u>	<u>\$0</u>	<u>\$9,232</u>

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

**VILLAGE OF BURTON
GEAUGA 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, 2008**

	Proprietary Fund Types	Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Private Purpose Trust	Agency	
Operating Cash Receipts:				
Charges for Services	\$432,145		\$10,510	\$442,655
Total Operating Cash Receipts	432,145	\$0	10,510	442,655
Operating Cash Disbursements:				
Personal Services	141,021			141,021
Travel Transportation	282			282
Contractual Services	155,147		863	156,010
Supplies and Materials	16,402			16,402
Total Operating Cash Disbursements	312,852	0	863	313,715
Operating Income/(Loss)	119,293	0	9,647	128,940
Non-Operating Cash Receipts:				
Miscellaneous Receipts	35,027			35,027
Earnings on Investment	15,042	380		15,422
Other Non-Operating Cash Receipts	5,483			5,483
Total Non-Operating Cash Receipts	55,552	380	0	55,932
Non-Operating Cash Disbursements:				
Capital Outlay	78,708			78,708
Redemption of Principal	36,000			36,000
Interest and Other Fiscal Charges	14,910			14,910
Other Non-Operating Cash Disbursements	9,941		7,180	17,121
Total Non-Operating Cash Disbursements	139,559	0	7,180	146,739
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	35,286	380	2,467	38,133
Fund Cash Balances, January 1	933,201	20,161	4,165	957,527
Fund Cash Balances, December 31	\$968,487	\$20,541	\$6,632	\$ 995,660
Reserve for Encumbrances, December 31	\$2,708	\$0	\$0	\$ 2,708

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

**VILLAGE OF BURTON
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Local Taxes	\$77,337	\$157,084		\$234,421
Municipal Income Tax		427,147		427,147
Intergovernmental	86,171	118,614		204,785
Special Assessments		478	\$13,773	14,251
Charges for Services	20,962	8,361		29,323
Fines, Licenses and Permits	515	3,431		3,946
Earnings on Investments	33,386	6,030		39,416
Miscellaneous	3,192	321		3,513
Total Cash Receipts	<u>221,563</u>	<u>721,466</u>	<u>13,773</u>	<u>956,802</u>
Cash Disbursements:				
Current:				
Security of Persons and Property		385,725		385,725
Public Health Services		13,575		13,575
Leisure Time Activities	21,959	6,295		28,254
Community Environment	13,447			13,447
Transportation		241,008		241,008
General Government	149,247	38,435		187,682
Debt Service:				
Redemption of Principal			18,480	18,480
Capital Outlay	3,467	13,112	71,267	87,846
Total Cash Disbursements	<u>188,120</u>	<u>698,150</u>	<u>89,747</u>	<u>976,017</u>
Total Receipts Over/(Under) Disbursements	<u>33,443</u>	<u>23,316</u>	<u>(75,974)</u>	<u>(19,215)</u>
Other Financing Receipts / (Disbursements):				
Transfers-In			191,880	191,880
Transfers-Out	(94,880)	(97,000)		(191,880)
Other Financing Sources		4,175		4,175
Other Financing Uses	(4,939)	(1,147)		(6,086)
Total Other Financing Receipts / (Disbursements)	<u>(99,819)</u>	<u>(93,972)</u>	<u>191,880</u>	<u>(1,911)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(66,376)	(70,656)	115,906	(21,126)
Fund Cash Balances, January 1	373,815	407,140	84,556	865,511
Fund Cash Balances, December 31	<u><u>\$307,439</u></u>	<u><u>\$336,484</u></u>	<u><u>\$200,462</u></u>	<u><u>\$844,385</u></u>
Reserve for Encumbrances, December 31	<u><u>\$1,572</u></u>	<u><u>\$11,340</u></u>	<u><u>\$0</u></u>	<u><u>\$12,912</u></u>

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

**VILLAGE OF BURTON
GEAUGA 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, 2007**

	Proprietary Fund Types	Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Private Purpose Trust	Agency	
Operating Cash Receipts:				
Charges for Services	\$442,577		\$13,351	\$455,928
Total Operating Cash Receipts	442,577	0	13,351	455,928
Operating Cash Disbursements:				
Personal Services	146,223			146,223
Travel Transportation	195			195
Contractual Services	148,841		7,717	156,558
Supplies and Materials	14,579			14,579
Total Operating Cash Disbursements	309,838	0	7,717	317,555
Operating Income/(Loss)	132,739	0	5,634	138,373
Non-Operating Cash Receipts:				
Miscellaneous Receipts	37,369			37,369
Earnings on Investment	26,809	679		27,488
Other Non-Operating Cash Receipts	13,272			13,272
Total Non-Operating Cash Receipts	77,450	679	0	78,129
Non-Operating Cash Disbursements:				
Capital Outlay	299,890			299,890
Redemption of Principal	36,000			36,000
Interest and Other Fiscal Charges	16,998			16,998
Other Non-Operating Cash Disbursements	915		5,432	6,347
Total Non-Operating Cash Disbursements	353,803	0	5,432	359,235
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(143,614)	679	202	(142,584)
Fund Cash Balances, January 1	1,076,815	19,482	3,962	1,100,259
Fund Cash Balances, December 31	\$933,201	\$20,161	\$4,164	\$957,526
Reserve for Encumbrances, December 31	\$3,412	\$0	\$0	\$3,412

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

**VILLAGE OF BURTON
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

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 Burton, Geauga County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government, including water and sewer utilities, park operations, and police services.

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

B. Accounting Basis

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

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. Certificates of Deposit are valued at cost.

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

2. Special Revenue Funds

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

**VILLAGE OF BURTON
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

Police Department Fund – This fund is used to account for property taxes and transfers from the General Fund which is used to pay for the police department obligations.

Income Tax Fund – This fund receives 1 percent municipal income tax on substantially all earned income arising from employment within the Village and certain income of residents earned outside of the Village. The Income Tax Fund was transferred in 2008 to the General Fund.

3. Capital Project Funds

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

Goodwin/Peckham Streets Issue II Fund – This fund is used to pay for water, sanitary and storm sewer line improvements from special assessments and general fund subsidization.

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

4. Enterprise Funds

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

Waterworks Operating Fund – This fund receives charges for services from residents to cover water service costs.

Sewer Operating Fund – This fund receives charges for services from residents to cover sewer service costs.

5. Fiduciary Funds

Trust funds account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the Village classifies the fund as a private purpose trust fund. Other trust funds are classified as expendable.

**VILLAGE OF BURTON
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

5. Fiduciary Funds (Continued)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village has a cemetery private purpose trust fund during the audit period. Also, the Village has an agency fund for building permits.

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 object level of control within each department and fund, 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.

A summary of 2006 and 2005 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

**VILLAGE OF BURTON
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

2. Equity in Pooled Cash and Investments

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

	2008	2007
Demand deposits	\$637,269	\$602,851
Business Super Savings	325,937	1,199,061
Certificates of Deposit	900,000	0
Total deposits	\$1,863,206	\$1,801,912

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool. Although the Village followed all state statutory requirements for these deposits, noncompliance with federal requirements could potentially subject the Village to a successful claim by the Federal Depository Insurance Corporation.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2008 and December 31, 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$611,674	\$727,650	\$115,976
Special Revenue	716,324	696,135	(20,189)
Capital Projects	118,780	117,951	(829)
Enterprise	593,026	487,697	(105,329)
Fiduciary	172,160	10,890	(161,270)
Total	\$2,211,964	\$2,040,323	(\$171,641)

**VILLAGE OF BURTON
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

3. Budgetary Activity (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$771,214	\$752,174	\$19,040
Special Revenue	765,587	692,727	72,860
Capital Projects	288,281	82,905	205,376
Enterprise	706,688	455,119	251,569
Fiduciary	173,400	8,043	165,357
Total	<u>\$2,705,170</u>	<u>\$1,990,968</u>	<u>\$714,202</u>

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$156,923	\$221,563	\$64,640
Special Revenue	978,350	725,641	(252,709)
Capital Projects	216,480	205,653	(10,827)
Enterprise	537,988	520,027	(17,961)
Fiduciary	28,310	14,030	(14,280)
Total	<u>\$1,918,051</u>	<u>\$1,686,914</u>	<u>(\$231,137)</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$303,742	\$289,511	\$14,231
Special Revenue	1,121,791	807,637	314,154
Capital Projects	250,480	89,747	160,733
Enterprise	869,721	663,641	206,080
Fiduciary	27,400	13,149	14,251
Total	<u>\$2,573,134</u>	<u>\$1,863,685</u>	<u>\$709,449</u>

**VILLAGE OF BURTON
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

4. 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.

5. Local Income Tax

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

6. Debt

Debt outstanding at December 31, 2008 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Mortgage Revenue Bonds - Sewer	\$115,000	7.13%
Burton Health Care Bonds	115,000	6.15%
Ohio Public Works Issue II Loan	49,500	0.00%
Ohio Public Works Issue II Loan	<u>11,880</u>	0.00%
Total	<u><u>\$291,380</u></u>	

The Mortgage Revenue Bonds – Sewer, related 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 Burton Health Care Bonds relate to a water main construction project. These Special Assessment Bonds were issued in 1997 in the amount of \$323,000. The Bonds will be repaid in annual varying principal installments plus interest over 15 years.

**VILLAGE OF BURTON
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

6. Debt (Continued)

The Ohio Public Works Issue II Loan, related to water, sanitary and storm sewer line improvements. This no interest loan was issued in 2001 in the amount of \$165,000 and will be repaid semi-annually installments of \$8,250 over 10 years.

The Ohio Public Works Issue II Loan, related to water, sanitary and storm sewer line improvements. This no interest loan was issued in 2004 in the amount of \$19,800 and will be repaid semi-annually installments of \$990 over 10 years.

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

Year ending December 31:	Mortgage Revenue Bonds · Sewer	Burton Health Care Bonds	Ohio Public Works Issue II Loan	Ohio Public Works Issue II Loan
2009	\$17,750	\$32,073	\$16,500	\$1,980
2010	18,150	35,535	16,500	1,980
2011	17,500	33,690	16,500	1,980
2012	17,850	31,845	0	1,980
2013	18,150	0	0	1,980
2014-2017	52,900	0	0	1,980
Total	<u>\$142,300</u>	<u>\$133,143</u>	<u>\$49,500</u>	<u>\$11,880</u>

7. Retirement Systems

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OP&F participants contributed 10% of their wages. For 2008 and 2007, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2008 and 2007, OPERS members contributed 10 and 9.5%, respectively, of their gross salaries and the Village contributed an amount equaling 14% and 13.85%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2008.

8. Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

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

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Mary Taylor, CPA

Auditor of State

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

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

To the Village Council:

We have audited the financial statements of the Village of Burton, Geauga County, (the Village) as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated September 10, 2009, 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. 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 expressing our opinion on the financial statements, but not to opine 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.

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

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

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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 the audit committee, management and Village Council. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

September 10, 2009

VILLAGE OF BURTON
GEAUGA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-01	Fiscal Officer Certification	Yes	



Mary Taylor, CPA
Auditor of State

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
SEPTEMBER 29, 2009**