

**VILLAGE OF TARLTON**

**PICKAWAY COUNTY**

**REGULAR AUDIT**

**JANUARY 1, 1998 - DECEMBER 31, 1999**

**VILLAGE OF TARLTON**

**PICKAWAY COUNTY**

**REGULAR AUDIT**

**JANUARY 1, 1998 - DECEMBER 31, 1999**

**MICHAEL A. BALESTRA, CPA, INC.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**528 S. West Street, P.O. Box 687**

**PIKETON, OHIO 45661**

---

**TELEPHONE (740) 289-4131**

**FAX (740) 289-3639**

**E-MAIL-[mbalcpa@bright.net](mailto:mbalcpa@bright.net)**

---



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1<sup>st</sup> Floor  
Columbus, Ohio 43215

Telephone 614-466-4514  
800-282-0370

Facsimile 614-728-7398

Village Council  
Village of Tarlton  
P.O. Box 155  
Tarlton, Ohio 43156

We have reviewed the Independent Auditor's Report of the Village of Tarlton, Pickaway County, prepared by Michael Balestra, CPA, Inc., for the audit period January 1, 1998 through December 31, 1999. 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.

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 Tarlton is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro", written over a horizontal line.

JIM PETRO  
Auditor of State

May 25, 2000

# MICHAEL A. BALESTRA, CPA, INC.

CERTIFIED PUBLIC ACCOUNTANTS  
528 SOUTH WEST STREET, P.O. BOX 687  
PIKETON, OHIO 45661

TELEPHONE (740) 289-4131

FAX (740) 289-3639

E-MAIL: mbalcpa@bright.net

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## Independent Auditor's Report

Village Council  
Village of Tarlton  
Tarlton, Ohio 43156

We have audited the accompanying financial statements of the Village of Tarlton, Pickaway County, Ohio, (the Village) as of and for the year 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 *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 audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the cash basis of accounting, 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 and reserves for encumbrances of the Village of Tarlton, Pickaway County, Ohio, 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 11, 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.

Michael A. Balestra, CPA, Inc.  
Michael A. Balestra, CPA, Inc.

May 11, 2000

VILLAGE OF TARLTON  
PICKAWAY COUNTY  
JANUARY 1, 1998 THROUGH DECEMBER 31, 1999

Table of Contents

Independent Auditor's Report	
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Funds Types For the Year Ended December 31, 1999	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Funds Types For the Year Ended December 31, 1998	2
Notes to the Financial Statements	3-7
Report on Compliance and on Internal Control required by <i>Government Auditing Standards</i>	8-9

**VILLAGE OF TARLTON  
PICKAWAY COUNTY**

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

				(Memorandum Only)
	General	Special Revenue	Debt Service	Total
Cash receipts:				
Property taxes	\$7,472	\$0	\$0	\$7,472
Local taxes	0	651	0	651
Intergovernmental	24,537	8,192	0	32,729
Interest	2,849	141	0	2,990
Miscellaneous	5,202	0	0	5,202
<b>Total cash receipts</b>	<b>40,060</b>	<b>8,984</b>	<b>0</b>	<b>49,044</b>
Cash disbursements:				
Current:				
Security of persons and property	4,868	0	0	4,868
Public Health Service	539	0	0	539
Leisure time activities	72	0	0	72
Basic Utility Service	5,312	0	0	5,312
Transportation	9,769	3,303	0	13,072
General government	20,764	0	0	20,764
Loan Principal	0	0	2,319	2,319
Loan Interest	0	0	3,181	3,181
Capital outlay	59,000	0	0	59,000
<b>Total program disbursements</b>	<b>100,324</b>	<b>3,303</b>	<b>5,500</b>	<b>109,127</b>
<b>Total receipts over/(under) program disbursements</b>	<b>(60,264)</b>	<b>5,681</b>	<b>(5,500)</b>	<b>(60,083)</b>
Other financing receipts/(disbursements):				
Transfers-in	0	0	5,500	5,500
Transfers-out	(5,500)	0	0	(5,500)
Loan Proceeds	59,000	0	0	59,000
<b>Total other financing receipts/(disbursements)</b>	<b>53,500</b>	<b>0</b>	<b>5,500</b>	<b>59,000</b>
<b>Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements</b>	<b>(6,764)</b>	<b>5,681</b>	<b>0</b>	<b>(1,083)</b>
<b>Fund cash balances January 1, 1999</b>	<b>39,774</b>	<b>26,661</b>	<b>0</b>	<b>66,435</b>
<b>Fund cash balances, December 31, 1999</b>	<b>\$33,010</b>	<b>\$32,342</b>	<b>\$0</b>	<b>\$65,352</b>
<b>Reserve for encumbrances, December 31, 1999</b>	<b>\$520</b>	<b>\$0</b>	<b>\$0</b>	<b>\$520</b>

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

**VILLAGE OF TARLTON  
PICKAWAY COUNTY**

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

	General	Special Revenue	Capital Projects	(Memorandum Only) Total
Cash receipts:				
Property taxes	\$6,151	\$0	\$0	\$6,151
Local taxes	0	728	0	728
Intergovernmental	23,303	7,767	193,114	224,184
Interest	2,374	987	0	3,361
Miscellaneous	5,289	0	0	5,289
<b>Total cash receipts</b>	<b>37,117</b>	<b>9,482</b>	<b>193,114</b>	<b>239,713</b>
Cash disbursements:				
Current:				
Security of persons and property	8,383	0	0	8,383
Public Health Service	403	0	0	403
Leisure time activities	211	0	0	211
Basic Utility Service	9,107	0	0	9,107
Transportation	0	4,589	0	4,589
General government	26,549	0	0	26,549
Capital outlay	7,050	237	217,064	224,351
<b>Total program disbursements</b>	<b>51,703</b>	<b>4,826</b>	<b>217,064</b>	<b>273,593</b>
<b>Total receipts over/(under) program disbursements</b>	<b>(14,586)</b>	<b>4,656</b>	<b>(23,950)</b>	<b>(33,880)</b>
Other financing receipts/(disbursements):				
Transfers-in	3,407	0	27,357	30,764
Transfers-out	(27,357)	0	(3,407)	(30,764)
<b>Total other financing receipts/(disbursements)</b>	<b>(23,950)</b>	<b>0</b>	<b>23,950</b>	<b>0</b>
<b>Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements</b>	<b>(38,536)</b>	<b>4,656</b>	<b>0</b>	<b>(33,880)</b>
Fund cash balances January 1, 1998	78,310	22,005	0	100,315
Fund cash balances, December 31, 1998	\$39,774	\$26,661	\$0	\$66,435
Reserve for encumbrances, December 31, 1998	\$0	\$0	\$0	\$0

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

VILLAGE OF TARLTON  
PICKAWAY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDING DECEMBER 31, 1999 AND DECEMBER 31, 1998

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Village of Tarlton, Pickaway 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 general governmental services, including water and sewer utilities, and park operations (leisure time activities). The Village contracts with the Pickaway County Sheriff's department to provide security of persons and property.

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 were prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

C. Cash

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:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds

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:

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

Capital Projects Fund

These funds account for financial resources to be used for the construction of major capital facilities (other than those financed by proprietary funds). The Village had the following capital projects fund:

Capital Project- This fund received Issue II money for installing sewer pipes in the Village.

VILLAGE OF TARLTON  
PICKAWAY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDING DECEMBER 31, 1999 AND DECEMBER 31, 1998

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

Debt Service Fund

These funds account for resources to be used to meet the Village's debt requirements. The Village has the following Debt Service Fund:

Debt Service Fund - This fund accounts for the repayment of the Village's bank loan used to acquire land for use as a park.

E. Budgetary Process

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

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 Village 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.

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.

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. The Village did not reserve appropriations for commitments made in 1998. A management letter citation was issued recommending that the Village certify fund availability prior to the obligation of the funds.

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.

VILLAGE OF TARLTON  
PICKAWAY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDING DECEMBER 31, 1999 AND DECEMBER 31, 1998

2. Equity in Pooled Cash and Investments

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

	1998	1999
Demand deposits	\$40,435	\$45,352
Certificates of deposit	\$26,000	\$20,000
Total deposits	\$66,435	\$65,352

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

3. Budgetary Activity

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

<u>1999 Budgeted VS. Actual Receipts</u>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$95,670	\$99,060	\$3,390
Special Revenue	9,350	8,984	(366)
Debt Service	0	0	0
Total	\$105,020	\$108,044	\$3,024

<u>1999 Budgeted VS. Actual Budgetary Basis Expenditures</u>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$161,911	\$100,324	\$61,587
Special Revenue	11,744	3,303	8,441
Debt Service	5,500	5,500	0
Total	\$179,155	\$109,127	\$70,028

VILLAGE OF TARLTON  
PICKAWAY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDING DECEMBER 31, 1999 AND DECEMBER 31, 1998

3. Budgetary Activity (Continued)

Fund Type	<u>1998 Budgeted VS. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$50,380	\$37,117	(\$13,263)
Special Revenue	7,100	9,482	2,382
Capital Project	236,058	193,114	(42,944)
Total	<u>\$293,538</u>	<u>\$239,713</u>	<u>(\$53,825)</u>

1998 Budgeted VS. Actual Budgetary Basis Expenditures

Fund Type	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$128,590	\$51,703	\$76,887
Special Revenue	29,105	4,826	24,279
Capital Project	0	217,064	(217,064)
Total	<u>\$157,695</u>	<u>\$273,593</u>	<u>(\$115,898)</u>

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village. 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 the 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.

VILLAGE OF TARLTON  
PICKAWAY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDING DECEMBER 31, 1999 AND DECEMBER 31, 1998

5. Debt

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
The Savings Bank Loan	\$56,682	6.00%

The Savings Bank loan relates to the acquisition of vacant land for to be used as the Village park. The Savings Bank loaned \$59,000 to the Village for this project. The loan will be repaid in monthly installments of \$500, including interest, over 4 years, and a balloon payment of the remaining principal and interest in the 5<sup>th</sup> year.

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

<u>Year ending December 31</u>	<u>The Saving Bank Loan</u>
2000	\$6,000
2001	6,000
2002	6,000
2003	6,000
2004	45,204
Total	<u>\$69,204</u>

6. Retirement Systems

All Village employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides 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 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.5% of participant's gross salaries. The Village has paid all contributions required through December 31, 1999.

7. Risk Management

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- Property
- Vehicle

**MICHAEL A. BALESTRA, CPA, INC.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**528 SOUTH WEST STREET, P.O. BOX 687**  
**PIKETON, OHIO 45661**

**TELEPHONE (740) 289-4131**

**FAX (740) 289-3639**

**E-MAIL: mbalcpa@bright.net**

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

**Report on Compliance and on Internal Control Required by Government Auditing Standards**

Village Council  
Village of Tarlton  
Tarlton, Ohio 43156

We have audited the accompanying financial statements of the Village of Tarlton, Pickaway County, Ohio (the Village), as of and for the years ended December 31, 1999, and December 31, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental 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 *Governmental Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 11, 2000.

**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 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 May 11, 2000.

Page 2

Report on Compliance and on Internal Control Required by Government Auditing Standards

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

*Michael A. Balestra, CPA, Inc.*

Michael A. Balestra, CPA, Inc.

May 11, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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 TARLTON

PICKAWAY 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.

By: Susan Babbitt

Date: JUNE 6, 2000