



**VILLAGE OF BALTIMORE
FAIRFIELD COUNTY**

REGULAR AUDIT

FOR FISCAL YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF BALTIMORE
FAIRFIELD COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Similar Fiduciary Fund For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type and Similar Fiduciary Funds For the Year Ended December 31, 1999	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Similar Fiduciary Fund For the Year Ended December 31, 1998	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type and Similar Fiduciary Funds For the Year Ended December 31, 1998	6
Notes to the Financial Statements	7
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	15
Schedule of Findings	17

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Mayor and Village Council
Village of Baltimore
Fairfield County
103 West Market Street
Baltimore, Ohio 43105

We have audited the accompanying financial statements of the Village of Baltimore, Fairfield County, Ohio, (the Village) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village 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 4, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

May 4, 2000

**VILLAGE OF BALTIMORE
FAIRFIELD COUNTY**

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

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:						
Property Tax and Other Local Taxes	\$36,796	\$390,819	\$0	\$0	\$0	\$427,614
Special Assessments	0	0	1,862	0	0	1,862
Intergovernmental Receipts	146,121	102,491	0	0	0	248,612
Charges for Services	8,210	0	0	0	0	8,210
Fines, Licenses, and Permits	24,141	1,058	0	0	0	25,198
Miscellaneous	81,322	6,138	0	0	0	87,460
Total Cash Receipts	<u>296,589</u>	<u>500,505</u>	<u>1,862</u>	<u>0</u>	<u>0</u>	<u>798,956</u>
Cash Disbursements:						
Current:						
Security of Persons and Property	138,372	0	0	0	0	138,372
Public Health Services	13,996	0	0	0	0	13,996
Leisure Time Activities	21,559	0	0	0	0	21,559
Community Environment	9,592	0	0	0	0	9,592
Transportation	0	170,171	0	0	0	170,171
General Government	86,112	25,300	44	0	0	111,456
Capital Outlay	50,876	49,102	0	300,383	0	400,361
Total Cash Disbursements	<u>320,507</u>	<u>244,572</u>	<u>44</u>	<u>300,383</u>	<u>0</u>	<u>865,507</u>
Total Cash Receipts Over/(Under)Cash Disbursements	<u>(23,918)</u>	<u>255,933</u>	<u>1,818</u>	<u>(300,383)</u>	<u>0</u>	<u>(66,550)</u>
Other Financing Receipts/(Disbursements):						
Sale of Bonds or Notes	0	0	0	550,000	0	550,000
Transfers-In	203,750	122,250	0	0	0	326,000
Transfers-Out	(30,000)	(326,000)	0	0	0	(356,000)
Other Uses	(14,472)	0	0	0	0	(14,472)
Total Other Financing Receipts/(Disbursements)	<u>159,278</u>	<u>(203,750)</u>	<u>0</u>	<u>550,000</u>	<u>0</u>	<u>505,528</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	135,361	52,183	1,818	249,617	0	438,978
Fund Cash Balances, January 1	444,523	213,831	1,221	0	2,369	661,944
Fund Cash Balances, December 31	<u><u>\$579,884</u></u>	<u><u>\$266,014</u></u>	<u><u>\$3,039</u></u>	<u><u>\$249,617</u></u>	<u><u>\$2,369</u></u>	<u><u>\$1,100,922</u></u>
Reserves for Encumbrances, December 31	<u>\$6,072</u>	<u>\$57,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$63,272</u>

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

VILLAGE OF BALTIMORE
FAIRFIELD COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Proprietary Fund Type	Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency	
Operating Cash Receipts:				
Charges for Services	\$492,718	\$0	\$0	\$492,718
Fines Fees & Forfeitures	0	0	11,079	11,079
Total Operating Cash Receipts	492,718	0	11,079	503,797
Operating Cash Disbursements:				
Personal Services	227,661	0	0	227,661
Disbursement to Village of Baltimore	0	0	9,384	9,384
Disbursement to State of Ohio	0	0	1,695	1,695
Contractual Services	138,972	0	0	138,972
Supplies and Materials	57,930	0	0	57,930
Capital Outlay	287,802	3,000	0	290,802
Total Operating Cash Disbursements	712,365	3,000	11,079	726,444
Operating Income/(Loss)	(219,647)	(3,000)	0	(222,647)
Non-Operating Cash Receipts:				
Proceeds from Notes and Bonds	247,004	0	0	247,004
Other Non-Operating Receipts	1,000	585	0	1,585
Total Non-Operating Cash Receipts	248,004	585	0	248,589
Non-Operating Cash Disbursements:				
Debt Service	107,852	0	0	107,852
Other Non-Operating Cash Disbursements	4,780	0	0	4,780
Total Non-Operating Cash Disbursements	112,632	0	0	112,632
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	(84,276)	(2,415)	0	(86,691)
Transfers-In	50,000	0	0	50,000
Transfers-Out	(20,000)	0	0	(20,000)
Net Receipts Over/(Under) Disbursements	(54,276)	(2,415)	0	(56,691)
Fund Cash Balances, January 1	581,527	25,361	0	606,888
Fund Cash Balances, December 31	\$527,251	\$22,946	\$0	\$550,197
Reserve for Encumbrances, December 31	\$31,550	\$0	\$0	\$31,550

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

VILLAGE OF BALTIMORE
FAIRFIELD COUNTY

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

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$53,984	\$372,804	\$0	\$0	\$426,788
Special Assessments	0	0	1,640	0	1,640
Intergovernmental Receipts	97,592	98,203	0	0	195,795
Charges for Services	8,140	0	0	0	8,140
Fines, Licenses, and Permits	22,625	60	0	0	22,685
Miscellaneous	96,481	11,580	0	0	108,061
Total Cash Receipts	<u>278,822</u>	<u>482,647</u>	<u>1,640</u>	<u>0</u>	<u>763,110</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	123,691	0	0	0	123,691
Public Health Services	14,693	0	0	0	14,693
Leisure Time Activities	26,246	0	0	0	26,246
Community Environment	1,362	0	0	0	1,362
Transportation	0	139,194	0	0	139,194
General Government	80,055	22,821	0	0	102,876
Debt Service:	0	0	0	0	0
Principal Payments	0	0	3,260	0	3,260
Capital Outlay	6,955	79,525	0	0	86,480
Total Cash Disbursements	<u>253,002</u>	<u>241,540</u>	<u>3,260</u>	<u>0</u>	<u>497,802</u>
Total Cash Receipts Over/(Under)Cash Disbursements	<u>25,821</u>	<u>241,107</u>	<u>(1,620)</u>	<u>0</u>	<u>265,308</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	214,406	128,644	0	0	343,050
Transfers-Out	(30,000)	(343,050)	0	0	(373,050)
Other Uses	(14,228)	0	0	0	(14,228)
Total Other Financing Receipts/(Disbursements)	<u>170,179</u>	<u>(214,406)</u>	<u>0</u>	<u>0</u>	<u>(44,228)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>195,999</u>	<u>26,701</u>	<u>(1,620)</u>	<u>0</u>	<u>221,080</u>
Fund Cash Balances, January 1	<u>248,524</u>	<u>187,130</u>	<u>2,841</u>	<u>2,369</u>	<u>440,864</u>
Fund Cash Balances, December 31	<u><u>\$444,523</u></u>	<u><u>\$213,831</u></u>	<u><u>\$1,221</u></u>	<u><u>\$2,369</u></u>	<u><u>\$661,944</u></u>
Reserves for Encumbrances, December 31	<u><u>\$6,734</u></u>	<u><u>\$3,097</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>9,831</u></u>

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

VILLAGE OF BALTIMORE
FAIRFIELD COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Type	Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency	
Operating Cash Receipts:				
Charges for Services	\$529,740	\$0	\$0	\$529,740
Fines Fees & Forfeitures	0	0	12,315	12,315
Total Operating Cash Receipts	529,740	0	12,315	542,055
Operating Cash Disbursements:				
Personal Services	238,266	18	0	238,284
Fringe Benefits	352	0	0	352
Disbursement to Village of Baltimore	0	0	10,345	10,345
Disbursement to State of Ohio	0	0	1,970	1,970
Contractual Services	108,437	0	0	108,437
Supplies and Materials	70,553	0	0	70,553
Capital Outlay	126,750	0	0	126,750
Total Operating Cash Disbursements	544,358	18	12,315	556,691
Operating Income/(Loss)	(14,618)	(18)	0	(14,636)
Non-Operating Cash Receipts:				
Other Non-Operating Receipts	100	834	0	934
Total Non-Operating Cash Receipts	100	834	0	934
Non-Operating Cash Disbursements:				
Debt Service	45,716	0	0	45,716
Other Non-Operating Cash Disbursements	4,675	0	0	4,675
Total Non-Operating Cash Disbursements	50,391	0	0	50,391
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	(64,909)	816	0	(64,093)
Transfers-In	50,000	0	0	50,000
Transfers-Out	(20,000)	0	0	(20,000)
Net Receipts Over/(Under) Disbursements	(34,909)	816	0	(34,093)
Fund Cash Balances, January 1	616,436	24,545	0	640,981
Fund Cash Balances, December 31	\$581,527	\$25,361	\$0	\$606,888
Reserve for Encumbrances, December 31	\$13,554	\$0	\$0	\$13,554

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

**VILLAGE OF BALTIMORE
FAIRFIELD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Baltimore, Fairfield County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), and police services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer. The Village also invests in an overnight repurchase agreement with the depository. The value of the repurchase agreement is the cost of the investment.

Investments are reported as assets. 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.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from 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.

**VILLAGE OF BALTIMORE
FAIRFIELD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Income Tax Fund -This fund receives municipal income taxes at a rate of 1% which is divided equally between the Street Construction and General Funds.

3. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness.

4. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital projects fund:

Pool Renovation Construction Fund - This fund is used to account for the pool renovations made during the period.

5. 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.

6. Fiduciary Funds (Trust and Agency Funds)

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

Mayor's Court(Agency fund) - This fund is used to account for the receipts and disbursements made by the mayor's court.

**VILLAGE OF BALTIMORE
FAIRFIELD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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. 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Village did not certify and encumber all commitments required by Ohio law.

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.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

**VILLAGE OF BALTIMORE
FAIRFIELD COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$6,793</u>	<u>(\$10,488)</u>
Total deposits	<u>6,793</u>	<u>(10,488)</u>
Repurchase Agreement	1,036,798	701,438
STAR Ohio	<u>607,528</u>	<u>577,882</u>
Total investments	<u>1,644,326</u>	<u>1,279,320</u>
Total deposits and investments	<u><u>\$1,651,119</u></u>	<u><u>\$1,268,832</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: The Village's Investment in STAR Ohio is not evidenced by securities that exist in physical or book-entry form. The Village's repurchase agreement is an over night sweep of the depository accounts which is collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$416,179	\$500,339	\$84,160
Special Revenue	560,100	622,755	62,655
Debt Service	0	1,862	1,862
Capital Projects	550,000	550,000	0
Enterprise	916,000	790,722	(125,278)
Trust	1,000	585	(415)
Total	<u><u>\$2,443,279</u></u>	<u><u>\$2,466,263</u></u>	<u><u>\$22,984</u></u>

**VILLAGE OF BALTIMORE
FAIRFIELD COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$638,126	\$371,051	\$267,075
Special Revenue	668,443	627,772	40,671
Debt Service	1,220	44	1,176
Capital Projects	550,000	300,383	249,617
Enterprise	1,212,405	876,547	335,858
Trust	11,000	3,000	8,000
Total	<u>\$3,081,194</u>	<u>\$2,178,797</u>	<u>\$902,397</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$362,350	\$493,228	\$130,878
Special Revenue	544,500	611,291	66,791
Debt Service	2,500	1,640	(860)
Enterprise	549,100	579,840	30,740
Trust	1,000	834	(166)
Total	<u>\$1,459,450</u>	<u>\$1,686,833</u>	<u>\$227,383</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$503,022	\$303,964	\$199,058
Special Revenue	663,783	587,687	76,096
Debt Service	3,329	3,260	69
Enterprise	932,616	628,303	304,313
Trust	11,845	18	11,827
Total	<u>\$2,114,595</u>	<u>\$1,523,232</u>	<u>\$591,363</u>

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.

**VILLAGE OF BALTIMORE
FAIRFIELD COUNTY**

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

4. PROPERTY TAX (Continued)

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, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan 1982	\$ 77,252	12.00%
Swimming Pool Renovation Bond Anticipation Notes 1999	\$ 550,000	4.09%
Ohio Water Development Authority Loan 1999	<u>\$ 231,561</u>	3.20%
Total	<u>\$ 858,813</u>	

The Ohio Water Development Authority (OWDA) 1982 loan:

This loan relates to the construction of the Village Wastewater Treatment Plant. The OWDA approved \$341,476 in loans to the Village for this project. The loans will be repaid in semiannual installments over 20 years. 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 Ohio Water Development Authority (OWDA) 1999 loan:

This loan relates to a water and sewer plant expansion project for the design phase of this proposed project. The OWDA has approved up to \$285,000 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$31,068, including interest, over 20 years. The scheduled payment amount below assumes that \$285,000 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.

Swimming Pool Renovation Bond Anticipation Notes 1999:

This note relates to a major renovation and upgrade of the Village pool. The Note will be repaid annually from the general revenues of the Village. The Village anticipates issuing bonds to pay the debt for the pool in the long term.

**VILLAGE OF BALTIMORE
FAIRFIELD COUNTY**

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

5. DEBT (Continued)

Swimming Pool Renovation Bond Anticipation Notes 1999: (Continued)

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

Year ending December 31:	1982 OWDA Loan	1999 OWDA Loan	General Obligation Notes
2000	\$45,716	\$62,135	\$550,000
2001	45,716	62,135	0
2002	0	62,135	0
2003	0	62,135	0
Subsequent	0	0	0
Total	<u>\$91,432</u>	<u>\$248,540</u>	<u>\$550,000</u>

6. RETIREMENT SYSTEMS

The Village's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. This plan provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

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

7. RISK MANAGEMENT

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (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:

- General liability and casualty
- Public official's liability
- Vehicle

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

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

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

Mayor and Village Council
Village of Baltimore
Fairfield County
103 West Market Street
Baltimore, Ohio 43105

We have audited the accompanying financial statements of the Village of Baltimore, Fairfield County, Ohio (the Village), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated May 4, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 1999-30623-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 4, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Village in a separate letter dated May 4, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

May 4, 2000

VILLAGE OF BALTIMORE
FAIRFIELD COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number	1999-30623-001
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Fiscal Officer Certifying the Funds

Ohio Rev. Code Section 5705.41(D) states no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The amount so certified shall be recorded against the applicable appropriation account.

This section also provides an exception to the above requirement:

Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Village Council.

Fifteen percent of disbursements tested did not contain the required certificate of the fiscal officer prior to the purchase being made. The Village Clerk/Treasurer did not issue "Then and Now Certificates" for these payments.

We recommended that the Village Clerk/Treasurer certify the funds are available prior to making all purchases, or issue a then and now certificate as required by law.



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 BALTIMORE

FAIRFIELD 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
AUGUST 1, 2000