

VILLAGE OF BUCHEL
ATHENS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES -FIDUCIARY FUND TYPE -
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Fiduciary Fund Types</u>
	<u>Agency</u>
Nonoperating Receipts/(Disbursements):	
Nonoperating Cash Receipts	23,402
Nonoperating Cash Disbursements	23,402
Total Nonoperating Receipts/(Disbursements)	-
Net Income/(Loss)	-
Fund Cash Balances, January 1, 2002	-
Fund Cash Balances, December 31, 2002	-

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

VILLAGE OF BUCHEL
ATHENS COUNTY

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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
CASH RECEIPTS:			
Local Taxes	56,738	-	56,738
Intergovernmental	8,101	7,624	15,725
Charges for Services	-	-	-
Fines, Licenses, and Permits	23,166	-	23,166
Rent	4,500	-	4,500
Interest	1,742	-	1,742
Miscellaneous	3,077	-	3,077
Total Cash Receipts	97,324	7,624	104,948
CASH DISBURSEMENTS:			
Current:			
Security of Persons and Property	34,528	-	34,528
Transportation	-	5,548	5,548
General Government	54,712	-	54,712
Total Cash Disbursements	89,240	5,548	94,788
Excess of Cash Receipts Over/ (Under) Cash Disbursements	8,084	2,076	10,160
Fund Cash Balances, January 1, 2001	37,958	20,616	58,574
Fund Cash Balances, December 31, 2001	46,042	22,692	68,734

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

VILLAGE OF BUCHTEL
ATHENS COUNTY

FINANCIAL STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
CASH BALANCES -FIDUCIARY FUND TYPE -
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Fiduciary Fund Types</u>
	<u>Agency</u>
Nonoperating Receipts/(Disbursements):	
Nonoperating Cash Receipts	32,066
Nonoperating Cash Disbursements	<u>32,066</u>
Total Nonoperating Receipts/(Disbursements)	<u>-</u>
Net Income/(Loss)	-
Fund Cash Balances, January 1, 2001	<u>-</u>
Fund Cash Balances, December 31, 2001	<u><u>-</u></u>

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

VILLAGE OF BUCHTEL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended December 31, 2002 and December 31, 2001

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Village of Buchtel, Athens County, is a body politic and corporate 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, fire protection, and maintenance of Village streets and highways.

The Village's management believes these financial statements represent 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 a payment is made rather than when a liability is incurred.

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

C. Fund Accounting

The Village uses fund accounting to segregate cash that is 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 license tax money to construct, maintain and repair Village streets.

State Highway Improvement Fund - This fund receives gasoline tax and motor vehicle license tax money to maintain state highways.

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax fund money for maintaining and repairing Village Streets.

Agency Fund:

This fund accounts for activity for which the Village is acting in an agency capacity. The village had the following significant Agency Funds:

Mayor's Court Fund - This fund accounts for the financial activity of the Mayor's Court.

VILLAGE OF BUCHTEL
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Years Ended December 31, 2002 and December 31, 2001

1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Process

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

Appropriations

Budgetary expenditures (i.e., 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 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 (budgeted receipts) plus beginning of the year fund cash balances. 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. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber funds as required by Ohio law.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

E. 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.

2. Equity in Pooled Cash

The Village maintains a cash 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>2002</u>	<u>2001</u>
Demand deposits	\$53,425	\$57,851
Certificate of Deposit	<u>11,892</u>	<u>11,563</u>
Total Deposits	65,317	69,414
Reconciling Items	<u>(584)</u>	<u>(680)</u>
Carrying Amount	<u>\$64,733</u>	<u>\$68,734</u>

Deposits:

The Village's deposits are insured by the Federal Deposit Insurance Corporation.

VILLAGE OF BUCHTEL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended December 31, 2002 and December 31, 2001

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2002 and December 31, 2001, was as follows:

<u>2002 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 94,399	\$ 98,903	\$4,504
Special Revenue	<u>7,607</u>	<u>7,418</u>	<u>(189)</u>
Total	<u>\$102,006</u>	<u>\$106,321</u>	<u>\$4,315</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
General	\$140,442	\$102,965	\$37,477
Special Revenue	<u>30,299</u>	<u>7,357</u>	<u>22,942</u>
Total	<u>\$170,741</u>	<u>\$110,322</u>	<u>\$60,419</u>

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$100,000	\$97,324	\$ (2,676)
Special Revenue	<u>10,400</u>	<u>7,624</u>	<u>(2,776)</u>
Total	<u>\$110,400</u>	<u>\$104,948</u>	<u>\$ (5,452)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
General	\$137,958	\$89,240	\$48,718
Special Revenue	<u>31,016</u>	<u>5,548</u>	<u>25,468</u>
Total	<u>\$168,974</u>	<u>\$94,788</u>	<u>\$74,186</u>

VILLAGE OF BUCHTEL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended December 31, 2002 and December 31, 2001

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.

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. Retirement Systems

The Village employees, as well as the Clerk/Treasurer and Council members, belong to the Public Employees Retirement System (PERS) of Ohio. PERS are cost-sharing, multiple-employer plan. This plan provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries as prescribed by the Ohio Revised Code.

Contributions rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, members of PERS contributed 8.5% of wages. The Village contributed an amount equal to 13.55% of participants' wages. The Village has paid all contributions required through December 31, 2002.

6. Risk Management

The Village has obtained commercial insurance coverage for the following risks:

- General liability and casualty
- Public officials' liability
- Vehicles
- Property

There has been no significant reduction in insurance coverage from the prior year by major category of risk. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

BALESTRA & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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Report on compliance and on internal control over financial reporting based on an audit Of financial statements performed in accordance with *Government Auditing Standards*

Mayor and Members of Council
Village of Buchtel
Athens County
P.O. Box 311
Buchtel, Ohio 43716

We have audited the financial statements of the Village of Buchtel, Athens County, (the Village) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated May 14, 2003. We conducted our audit 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 audit 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 2001-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 14, 2003.

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 a material weakness. 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 14, 2003.

Village of Buchtel
Athens County
Report on compliance and on internal control over financial reporting based on an audit
of financial statements performed in accordance with *Government Auditing Standards*
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This report is intended for the information and use of the Village Council, Mayor, and management, and is not intended to be and should not be used by anyone other than these specified parties.

Balestra & Company
Balestra & Company

May 14, 2003

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

FINDING NUMBER 2001-001

Noncompliance Citation

Ohio Revised Code Section 5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contracts 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 encumbrances.

Several exceptions to this basic requirement are provided by statute, including:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing authority.

Amounts of less than \$100 for counties, or less than \$1,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

The Village did not utilize purchase orders during the audit period.

CORRECTIVE ACTION PLAN

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2001-001	Management will more closely monitor the encumbrance process to ensure compliance with ORC Section 5705.41(D).	12/31/2003	Kirk Grandy, Treasurer/Clerk



**Auditor of State
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VILLAGE OF BUCHEL

ATHENS 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
JUNE 17, 2003**