



**Auditor of State
Betty Montgomery**

VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Christiansburg
Champaign County
PO Box 115
Christiansburg, OH 45389

To the Village Council:

We have audited the accompanying financial statements of the Village of Christiansburg (the Village) as of and for the years ended December 31, 2002 and 2001. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 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, 2002 and 2001, 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 August 1, 2003, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Village of Christiansburg
Champaign County
Independent Accountants' Report
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This report is intended solely for the information and use of the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 1, 2003

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$13,625	\$26,477	\$40,102
Intergovernmental Receipts	25,357	18,774	44,131
Charges for Services		14,121	14,121
Fines, Licenses, and Permits	1,271		1,271
Earnings on Investments	6,656	791	7,447
Miscellaneous	611		611
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	47,520	60,163	107,683
Cash Disbursements:			
Current:			
Security of Persons and Property	2,881	16,930	19,811
Public Health Services		674	674
Leisure Time Activities	3,236	10,855	14,091
Transportation	4,282	12,932	17,214
General Government	24,784	554	25,338
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	35,183	41,945	77,128
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	12,337	18,218	30,555
Other Financing Receipts and (Disbursements):			
Sale of Fixed Assets	20,000		20,000
Transfers-Out	(1,912)		(1,912)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	18,088		18,088
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	30,425	18,218	48,643
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	178,828	94,416	273,244
Fund Cash Balances, December 31	<hr/> \$209,253 <hr/>	<hr/> \$112,634 <hr/>	<hr/> \$321,887 <hr/>
Reserves for Encumbrances, December 31	<hr/>	<hr/>	<hr/>
	\$1,068	\$2,012	\$3,080

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

**VILLAGE OF CHRISTIANSBURG
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGE IN FUND CASH BALANCE
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Enterprise
Operating Cash Receipts:	
Charges for Services	\$41,919
Miscellaneous	320
	42,239
Operating Cash Disbursements:	
Personal Services	3,334
Fringe Benefits	569
Contractual Services	22,903
Supplies and Materials	3,622
Capital Outlay	4,711
	35,139
Operating Income/(Loss)	7,100
Transfers-In	1,912
Net Receipts Over/(Under) Disbursements	9,012
Fund Cash Balance, January 1	174,884
Fund Cash Balance, December 31	\$183,896
Reserve for Encumbrances, December 31	\$1,758

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

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN 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**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$13,330	\$25,890	\$39,220
Intergovernmental Receipts	31,678	19,697	51,375
Charges for Services		8,582	8,582
Fines, Licenses, and Permits	992		992
Earnings on Investments	10,771	1,422	12,193
Miscellaneous	1,061		1,061
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	57,832	55,591	113,423
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Security of Persons and Property	2,668	16,480	19,148
Public Health Services		1,342	1,342
Leisure Time Activities	8,791	8,071	16,862
Transportation	7,471	30,872	38,343
General Government	28,684	986	29,670
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	47,614	57,751	105,365
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	10,218	(2,160)	8,058
	<hr/>	<hr/>	<hr/>
Other Financing Disbursements:			
Transfers-Out	(1,912)		(1,912)
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	8,306	(2,160)	6,146
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	170,522	96,576	267,098
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$178,828</u>	<u>\$94,416</u>	<u>\$273,244</u>
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	<u>\$2,680</u>	<u>\$960</u>	<u>\$3,640</u>

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

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGE IN FUND CASH BALANCE
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Enterprise
Operating Cash Receipts:	
Charges for Services	\$32,955
Total Operating Cash Receipts	32,955
Operating Cash Disbursements:	
Personal Services	2,915
Fringe Benefits	378
Contractual Services	12,428
Supplies and Materials	4,029
Capital Outlay	7,093
Total Operating Cash Disbursements	26,843
Operating Income/(Loss)	6,112
Transfers-In	1,912
Net Receipts Over/(Under) Disbursements	8,024
Fund Cash Balance, January 1	166,860
Fund Cash Balance, December 31	\$174,884
Reserve for Encumbrances, December 31	\$2,841

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

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Christiansburg, Champaign 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 park operations (leisure time activities). The Village contracts with the Champaign 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 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

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.

Certificates of deposit are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

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 Fund

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 CHRISTIANBURG
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

Permissive Motor Vehicle Fund -This fund receives gasoline tax for maintaining and repairing State Routes that pass through the Village.

3. Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

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 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.

A summary of 2002 and 2001 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 CHRISTIANBURG
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(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:

	2002	2001
Demand deposits	\$432,600	\$375,982
Certificates of deposit	15,000	15,000
Total deposits	447,600	390,982
STAR Ohio	58,183	57,146
Total investments	58,183	57,146
Total deposits and investments	\$505,783	\$448,128

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Village.

Investments: Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

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

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$48,954	\$67,520	\$18,566
Special Revenue	63,165	60,163	(3,002)
Enterprise	37,000	44,151	7,151
Total	\$149,119	\$171,834	\$22,715

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$140,562	\$38,163	\$102,399
Special Revenue	85,795	43,957	41,838
Enterprise	91,446	36,897	54,549
Total	\$317,803	\$119,017	\$198,786

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,341	\$57,832	(\$24,509)
Special Revenue	55,437	55,591	154
Enterprise	65,523	34,867	(30,656)
Total	\$203,301	\$148,290	(\$55,011)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$84,907	\$52,206	\$32,701
Special Revenue	88,635	58,711	29,924
Enterprise	69,600	29,684	39,916
Total	\$243,142	\$140,601	\$102,541

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

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

All employees belong to the Public Employees Retirement System (PERS) of Ohio. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

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

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

6. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

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**Auditor of State
Betty Montgomery**

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

Village of Christiansburg
Champaign County
PO Box 115
Christiansburg, OH 45389

To the Village Council:

We have audited the accompanying financial statements of the Village of Christiansburg (the Village) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated August 1, 2003. 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 *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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated August 1, 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 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 management of the Village in a separate letter dated August 1, 2003.

Village of Christiansburg
Champaign County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 1, 2003

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000 AND 1999**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-30311-001	ORC 5705.41(D), failure to certify funds	No	Partially Corrected – reported to management of the Village in a separate letter.
2000-30311-002	ORC 5705.38, failure to pass appropriations measure in a timely manner	Yes	
2000-30311-003	ORC 5705.41(B), expenditures exceeding appropriations	Yes	
2000-30311-004	ORC 5705.36, failure to timely submit Certificates of Estimated Resources	No	Improvement made – reported to management of the Village in a separate letter.
2000-30311-005	Failure to maintain required accounting ledgers	Yes	
2000-30311-006	Lack of monitoring of financial reporting	Yes	
2000-30311-007	Water fund ledger did not agree to billing stubs, deposit slips, or receipts ledger	Yes	
2000-30311-008	Numerous Incorrect Postings to the accounting ledgers	Yes	



**Auditor of State
Betty Montgomery**

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800-282-0370

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VILLAGE OF CHRISTIANSBURG

CHAMPAIGN 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 9, 2003**