



**Auditor of State
Betty Montgomery**

VILLAGE OF ORANGEVILLE
TRUMBULL COUNTY

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**Auditor of State
Betty Montgomery**

REPORT OF INDEPENDENT ACCOUNTANTS

Village of Orangeville
Trumbull County
P.O. Box 132
Orangeville, Ohio 44453

To the Village Council:

We have audited the accompanying financial statements of the Village of Orangeville (the Village) as of and for the years ended December 31, 2002 and December 31, 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 of the Village as of December 31, 2002 and December 31, 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 May 30, 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 Orangeville
Trumbull County
Report of Independent Accountants
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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

May 30, 2003

**VILLAGE OF ORANGEVILLE
TRUMBULL 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>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$11,051	\$10,492		\$21,543
Special Assessments		4,305		4,305
Intergovernmental Receipts	6,860	8,253	\$15,220	30,333
Earnings on Investments	371	79		450
Miscellaneous	1,144			1,144
	<u>19,426</u>	<u>23,129</u>	<u>15,220</u>	<u>57,775</u>
Total Cash Receipts				
	<u>19,426</u>	<u>23,129</u>	<u>15,220</u>	<u>57,775</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	13	9,098		9,111
Transportation		4,916		4,916
General Government	14,915	338		15,253
Capital Outlay		3,629	15,220	18,849
	<u>14,928</u>	<u>17,981</u>	<u>15,220</u>	<u>48,129</u>
Total Cash Disbursements				
	<u>14,928</u>	<u>17,981</u>	<u>15,220</u>	<u>48,129</u>
Total Receipts Over/(Under) Disbursements	<u>4,498</u>	<u>5,148</u>		<u>9,646</u>
Fund Cash Balances, January 1	<u>44,365</u>	<u>28,687</u>		<u>73,052</u>
Fund Cash Balances, December 31	<u><u>\$48,863</u></u>	<u><u>\$33,835</u></u>		<u><u>\$82,698</u></u>

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

**VILLAGE OF ORANGEVILLE
TRUMBULL 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$10,742	\$10,455		\$21,197
Special Assessments		4,325		4,325
Intergovernmental Receipts	9,232	8,001	\$45,880	63,113
Earnings on Investments	925	174		1,099
Miscellaneous	1,233			1,233
	<u>22,132</u>	<u>22,955</u>	<u>45,880</u>	<u>90,967</u>
Total Cash Receipts	<u>22,132</u>	<u>22,955</u>	<u>45,880</u>	<u>90,967</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	13	9,841		9,854
Transportation		6,960		6,960
General Government	15,370	341		15,711
Capital Outlay		15,016	45,880	60,896
	<u>15,383</u>	<u>32,158</u>	<u>\$45,880</u>	<u>93,421</u>
Total Cash Disbursements	<u>15,383</u>	<u>32,158</u>	<u>\$45,880</u>	<u>93,421</u>
Total Receipts Over/(Under) Disbursements	<u>6,749</u>	<u>(9,203)</u>		<u>(2,454)</u>
Fund Cash Balances, January 1	<u>37,616</u>	<u>37,890</u>		<u>75,506</u>
Fund Cash Balances, December 31	<u><u>\$44,365</u></u>	<u><u>\$28,687</u></u>	<u><u>\$0</u></u>	<u><u>\$73,052</u></u>

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

**VILLAGE OF ORANGEVILLE
TRUMBULL 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 Orangeville, Trumbull 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 street maintenance and street lighting. The Village turns over fire levy fund money to support the Orangeville Village Volunteer Fire Department., Inc. The Volunteer Fire Department's financial statements are not presented in this report.

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. 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.

Fire Levy Fund – This fund's receipts are generated from a restricted tax levy and are only to be utilized to provide fire protection services for Village residents.

**VILLAGE OF ORANGEVILLE
TRUMBULL COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Road Levy Fund – This fund's receipts are generated from a restricted tax levy and are only to be utilized to provide street repairs and upgrades.

Street Lighting Fund – This fund's receipts are generated from a special assessment levied for the purpose of providing street lighting.

3. Capital Project Funds

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise trust funds). The Village had an Issue 2 project in year 2001 for street repair.

D. 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 fund, 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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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.

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.

**VILLAGE OF ORANGEVILLE
TRUMBULL COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2002	2001
Demand Deposits	\$82,698	\$73,052

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

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

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$16,558	\$19,426	\$2,868
Special Revenue	23,981	23,129	(852)
Capital Projects	15,220	15,220	
Total	\$55,759	\$57,775	\$2,016

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 21,450	\$ 14,928	\$ 6,522
Special Revenue	34,776	17,981	16,795
Capital Projects	15,220	15,220	
Total	\$ 71,446	\$ 48,129	\$ 23,317

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$17,634	\$22,132	\$4,498
Special Revenue	22,870	22,955	85
Capital Projects	61,100	45,880	(15,220)
Total	\$101,604	\$90,967	(\$10,637)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 22,425	\$ 15,383	\$ 7,042
Special Revenue	47,576	32,158	15,418
Capital Projects	61,100	45,880	15,220
Total	\$ 131,101	\$ 93,421	\$ 37,680

**VILLAGE OF ORANGEVILLE
TRUMBULL COUNTY**

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

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

The Village's officials and 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 2002 and 2001. The Village has paid all contributions required through December 31, 2002.

6. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Inland Marine for coverage of computer equipment and tractor.



Auditor of State Betty Montgomery

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

Village of Orangeville
Trumbull County
P.O. Box 132
Orangeville, Ohio 44453

To the Village Council:

We have audited the accompanying financial statements of the Village of Orangeville (the Village) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated May 30, 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*.

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.

Village of Orangeville
Trumbull County
Report of Independent Accountants 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

May 30, 2003



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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VILLAGE OF ORANGEVILLE

TRUMBULL 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
JULY 8, 2003**