



**Auditor of State  
Betty Montgomery**



VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Village of Amsterdam  
Jefferson County  
P.O. Box 115  
Amsterdam, Ohio 43903-0115

To the Village Council:

We have audited the accompanying financial statements of the Village of Amsterdam, Jefferson County, (the Village) as of and for the years ended December 31, 2003 and 2002. 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 described 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 of Amsterdam, Jefferson County, as of December 31, 2003 and 2002, 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 February 19, 2004 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.

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 Section 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

February 19, 2004

**VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$17,244	\$14,499	\$31,743
Intergovernmental Receipts	45,380	23,814	69,194
Fines, Licenses, and Permits	15,832		15,832
Earnings on Investments	45		45
Miscellaneous	4,271		4,271
<b>Total Cash Receipts</b>	<u>82,772</u>	<u>38,313</u>	<u>121,085</u>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	22,391	5,549	27,940
Public Health Services	481		481
Leisure Time Activities		7,524	7,524
Transportation		23,003	23,003
General Government	33,406	7,374	40,780
Debt Service:			
Principal Payments	5,176		5,176
Interest Payments	194		194
<b>Total Cash Disbursements</b>	<u>61,648</u>	<u>43,450</u>	<u>105,098</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>21,124</u>	<u>(5,137)</u>	<u>15,987</u>
<b>Other Financing Receipts and (Disbursements):</b>			
Transfers-In		20,400	20,400
Transfers-Out	(20,400)	0	(20,400)
Other Financing Uses	(59)		(59)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(20,459)</u>	<u>20,400</u>	<u>(59)</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>665</u>	<u>15,263</u>	<u>15,928</u>
<b>Fund Cash Balances, January 1</b>	<u>21,887</u>	<u>8,802</u>	<u>30,689</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$22,552</b></u>	<u><b>\$24,065</b></u>	<u><b>\$46,617</b></u>

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

VILLAGE OF AMSTERDAM  
JEFFERSON 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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$19,160	\$16,173	\$35,333
Intergovernmental Receipts	23,557	20,273	43,830
Fines, Licenses, and Permits	12,025		12,025
Earnings on Investments	255		255
Miscellaneous	<u>3,082</u>		<u>3,082</u>
Total Cash Receipts	<u>58,079</u>	<u>36,446</u>	<u>94,525</u>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	19,507	5,874	25,381
Public Health Services	512		512
Leisure Time Activities		6,016	6,016
Transportation		17,422	17,422
General Government	38,653	11,411	50,064
Debt Service:			
Principal Payments	5,813		5,813
Interest Payments	672		672
Capital Outlay	<u>1,090</u>	<u>1,294</u>	<u>2,384</u>
Total Cash Disbursements	<u>66,247</u>	<u>42,017</u>	<u>108,264</u>
Total Receipts Over/(Under) Disbursements	<u>(8,168)</u>	<u>(5,571)</u>	<u>(13,739)</u>
<b>Other Financing Receipts and (Disbursements):</b>			
Transfers-In		4,500	4,500
Transfers-Out	(4,500)		(4,500)
Other Financing Uses	<u>(1,127)</u>		<u>(1,127)</u>
Total Other Financing Receipts/(Disbursements)	<u>(5,627)</u>	<u>4,500</u>	<u>(1,127)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(13,795)	(1,071)	(14,866)
Fund Cash Balances, January 1	<u>35,682</u>	<u>9,873</u>	<u>45,555</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$21,887</u></b>	<b><u>\$8,802</u></b>	<b><u>\$30,689</u></b>

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

**VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Amsterdam, Jefferson 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 police, recreation, street maintenance services, and flood control. The Village contracts with the Amsterdam Volunteer Fire Department for fire protection 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. 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:

**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 Fund:

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

**D. Budgetary Process**

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

**VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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 canceled, and reappropriated in the subsequent year.

A summary of 2003 and 2002 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 at December 31 was as follows:

	<u>2003</u>	<u>2002</u>
Demand deposits	\$46,617	\$30,689

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation,

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

**VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,259	\$82,772	\$513
Special Revenue	58,955	58,713	(242)
Total	<u>\$141,214</u>	<u>\$141,485</u>	<u>\$271</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$88,527	\$82,107	\$6,420
Special Revenue	38,887	43,450	(4,563)
Total	<u>\$127,414</u>	<u>\$125,557</u>	<u>\$1,857</u>

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$58,080	\$58,079	(\$1)
Special Revenue	40,561	40,946	385
Total	<u>\$98,641</u>	<u>\$99,025</u>	<u>\$384</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$102,534	\$71,874	\$30,660
Special Revenue	40,781	42,017	(1,236)
Total	<u>\$143,315</u>	<u>\$113,891</u>	<u>\$29,424</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 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.

**VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**5. RETIREMENT SYSTEMS**

The Village's 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 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 2003 and 2002, 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, 2003.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles,
- Errors and omissions, and  
Public official's liability



**Auditor of State  
Betty Montgomery**

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

Village of Amsterdam  
Jefferson County  
P.O. Box 115  
Amsterdam, Ohio 43903-0115

To the Village Council:

We have audited the accompanying financial statement of the Village of Amsterdam, Jefferson County (the Village) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated February 19, 2004. 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 is required to be reported under *Government Auditing Standards*. However, we also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated February 19, 2004.

**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 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 Amsterdam  
Jefferson County  
Independent Accountants' Report on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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This report is intended solely for the information and use of the audit committee, management, and the 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

February 19, 2004

VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003 AND 2002

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2001-31241-001	Ohio Revised Code § 5705.41 (D)	Corrected	





**Auditor of State  
Betty Montgomery**

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**VILLAGE OF AMSTERDAM**

**JEFFERSON 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  
APRIL 22, 2004**