

**Village of Saint Paris  
Financial Statements  
December 31, 2005 and 2004**





**Auditor of State  
Betty Montgomery**

Members of Council  
Village of Saint Paris  
135 West Main Street  
PO Box 572  
Saint Paris, Ohio 43072

We have reviewed the *Independent Auditors' Report* of the Village of Saint Paris, Champaign County, prepared by Taylor Applegate Hughes and Associates, Ltd. for the audit period January 1, 2004 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State's Office (AOS). Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the AOS permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Saint Paris is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

August 15, 2006

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Village of Saint Paris  
Financial Statements  
December 31, 2005 and 2004

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Table of Contents

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<u>Title</u>	<u>Page</u>
Elected Officials and Administrative Personnel	(i)
Index of Funds	(ii)
Report of Independent Accountants	
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, 2005	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances- Proprietary Fund Type and Similar Fiduciary Fund For the Year Ended December 31, 2005	2
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, 2004	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type and Similar Fiduciary Fund For the Year Ended December 31, 2004	4
Notes to the Financial Statements	5-13
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	14-15

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Village of St. Paris  
Champaign County  
135 West Main Street  
Saint Paris, Ohio 43072

**Elected Officials and Administrative Personnel as of December 31, 2005**

<b>Name</b>	<b>Title</b>	<b>Term of office or contract period</b>
Joe Braden	Mayor	1/1/04 - 12/31/07
Cathlyn Adkins	Clerk-Treasurer-Appointed	1/1/04 – 3/31/04
Cathlyn Adkins	Clerk-Treasurer	4/1/04 – 3/31/08
Rick Burnside	Council	1/01/04 - 12/31/07
Lynn Miller	Council	1/01/04 - 12/31/07
Jerry Carlson	Council	1/10/02 - 12/31/05
Caleb Lusk	Council - Appointed	6/30/02 - 12/31/05
Larry Watkins	Council President Pro Tem	1/1/02 - 12/31/05
Paul Fry	BPA	1/01/04 - 12/31/07
Ron Barnhart	BPA President 2005	1/01/04 - 12/31/07
Kyle Bowman	BPA President 2004	1/01/02 - 12/31/05

**ADMINISTRATIVE PERSONNEL**

James Pence, Jr.	Police Chief	Indefinite
Tyler Adkins	Street Commissioner	Appointed Annually
Joseph Sampson	Waste Water Superintendent	Indefinite

Village Solicitor  
Cathy J. Weithman  
201 West Court Street  
Urbana, Ohio 43078

Village of Saint Paris  
Financial Statement  
December 31, 2005 and 2004

**Index of Funds**

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Governmental Fund Types:

General Fund Type:

General Fund

Special Revenue Fund Type:

Street Construction, Maintenance & Repair Fund

State Highway Improvement Fund

Solid Waste Fund

Parks and Recreation Fund

Law Enforcement Trust Fund

Drug Fines Fund

Storm Drains Fund

Emergency Medical Service Fund

Permissive Motor Vehicle License Fund

Mayor's Court Computer Fund

FEMA Fund

Capital Projects Fund Type:

Ohio Public Works Commission Grant Fund

Proprietary Fund Types:

Enterprise Fund Type:

Water Fund

Sewer Fund

Sewer Assessment Fund

Fiduciary Fund Type:

Trust and Agency Fund types:

Expendable Trust Funds

Shank Trust

Agency Funds

Mayor's Court Fund

Income Tax Fund



## INDEPENDENT AUDITORS' REPORT

Village of Saint Paris  
Champaign County  
135 West Main Street  
Saint Paris, Ohio 43072

To the Honorable Mayor and Village Council:

We have audited the accompanying financial statements of the Village of Saint Paris, Champaign County, Ohio, (the Village), as of and for the years ended December 31, 2005 and 2004. 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 more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2005 and 2004. Instead of the combined funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and. While the Village does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require, governmental units to reformat their statements. The Village has elected not to reformat its statements. Since the Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.


In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2005 and 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2005 and 2004, or their changes in financial position for the year then ended.

Also, 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, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the year ended December 31, 2005 and 2004. The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2006 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Kathleen M.  
Hughes CPA, JD



Digitally signed by Kathleen M. Hughes  
CPA, JD  
DN: cn=Kathleen M. Hughes CPA, JD,  
o=US, o=Taylor, Applegate, Hughes &  
Assoc. LTD  
Date: 2006.08.09 16:18:16 -0400

Taylor, Applegate, Hughes and Associates, Ltd.  
June 15, 2006

**VILLAGE OF SAINT PARIS**

**CHAMPAIGN COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND

CASH BALANCES - ALL GOVERNMENTAL FUNDS TYPES AND SIMILAR FIDUCIARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Governmental Fund Types</u>		<u>Fiduciary</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Fund</u>	
			<u>Expendable trust</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>				
Local Taxes	\$ 42,218	\$ 144,977	\$ -	\$ 187,195
Intergovernmental	72,859	136,357		209,216
Charges for services	5	2,713		2,718
Fines, licenses, and permits	12,387	4,666		17,053
Interest	7,795	670	1,487	9,952
Miscellaneous	29,768	30,657	-	60,425
<b>Total Cash Receipts</b>	<b>165,032</b>	<b>320,040</b>	<b>1,487</b>	<b>486,559</b>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Security of persons and property	282,460			282,460
Public health services		20,446		20,446
Leisure time activities		8,770	3,630	12,400
Community Environment	16,146			16,146
Transportation	35,275	340,749		376,024
General government	87,223	1,628		88,851
Debt Service	7,630	3,848	-	11,478
<b>Total Cash Disbursements</b>	<b>428,734</b>	<b>375,441</b>	<b>3,630</b>	<b>807,805</b>
<b>Total receipts over/(under) disbursements</b>	<b>(263,702)</b>	<b>(55,401)</b>	<b>(2,143)</b>	<b>(321,246)</b>
<b>Other financing receipts/(disbursements):</b>				
Proceeds from loan		34,557		34,557
Transfers-in	250,000	5,000		255,000
Transfers-out	-	-	-	-
<b>Total other financing receipts/(disbursements)</b>	<b>250,000</b>	<b>39,557</b>	<b>-</b>	<b>289,557</b>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(13,702)	(15,844)	(2,143)	(31,689)
Fund cash balances January 1, 2005	\$ 31,106	\$ 406,876	\$ 3,298	\$ 441,280
Fund cash balances, December 31, 2005	\$ 17,404	\$ 391,032	\$ 1,155	\$ 409,591
Reserve for encumbrance, December 31, 2005	\$ -	\$ -	\$ -	\$ -

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

**VILLAGE OF SAINT PARIS  
CHAMPAIGN COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - PROPRIETARY FUNDS TYPES AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Proprietary Funds		Fiduciary Funds		Total	
	Enterprise		Agency		(Memorandum Only)	
<b>Cash Receipts:</b>						
Charges for Services	\$	519,472	\$	-	\$	519,472
Fines, Licenses and Permits		-		2,644		2,644
Total Cash receipts		519,472		2,644		522,116
<b>Cash Disbursements:</b>						
Personal services		132,722				132,722
Employee Fringe Benefits		52,973		-		52,973
Contractual services		80,598		11,585		92,183
Supplies and Materials		149,338				149,338
Miscellaneous		21,433		2,644		24,077
Total Cash Disbursements		437,064		14,229		451,293
Operating Income/(loss)		82,408		(11,585)		70,823
<b>Non-operating cash receipts and disbursements:</b>						
Local taxes				251,293		251,293
Miscellaneous Receipts		170,956				170,956
Capital Outlay		(60,765)				(60,765)
Debt service - principal		(108,493)				(108,493)
Debt service		(15,208)		-		(15,208)
Total non-operating cash receipts and disbursements		(13,510)		251,293		237,783
Income before operating transfers and advances		68,898		239,708		308,606
Transfers-Out		-		(255,000)		(255,000)
Net receipts over/(under) disbursements		68,898		(15,292)		53,606
Fund cash balances, January 1, 2005	\$	208,297	\$	268,082	\$	476,379
Fund cash balances, December 31, 2005	\$	277,195	\$	252,790	\$	529,985
Reserve for encumbrance, December 31, 2005	\$	-	\$	-	\$	-

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

**VILLAGE OF SAINT PARIS**

**CHAMPAIGN COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND

CASH BALANCES - ALL GOVERNMENTAL FUNDS TYPES AND SIMILAR FIDUCIARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Governmental Fund Types</u>		<u>Fiduciary</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Funds</u> <u>Expendable Trust</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>				
Local Taxes	\$ 38,535	\$ 144,578	\$ -	\$ 183,113
Intergovernmental	71,581	210,330		281,911
Charges for services	-	2,752		2,752
Fines, licenses, and permits	16,688	3,885		20,573
Interest	8,031	302	926	9,259
Miscellaneous	26,854	8,090	-	34,944
<b>Total Cash Receipts</b>	<b>161,689</b>	<b>369,937</b>	<b>926</b>	<b>532,552</b>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Security of persons and property	279,886	-		279,886
Public health services		20,323	-	20,323
Leisure time activities		4,800	920	5,720
Community Environment	11,966			11,966
Transportation	38,966	372,811		411,777
General government	93,314	2,203		95,517
Debt Service	7,630	-	-	7,630
<b>Total Cash Disbursements</b>	<b>431,762</b>	<b>400,137</b>	<b>920</b>	<b>832,819</b>
<b>Total receipts over/(under) disbursements</b>	<b>(270,073)</b>	<b>(30,200)</b>	<b>6</b>	<b>(300,267)</b>
<b>Other financing receipts/(disbursements):</b>				
Transfers-in	300,000	110,000		410,000
Transfers-out	(5,000)	-	-	(5,000)
<b>Total other financing receipts/(disbursements)</b>	<b>295,000</b>	<b>110,000</b>	<b>-</b>	<b>405,000</b>
<b>Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements</b>	<b>24,927</b>	<b>79,800</b>	<b>6</b>	<b>104,733</b>
<b>Fund cash balances, January 1, 2004</b>	<b>\$ 6,178</b>	<b>\$ 326,822</b>	<b>\$ 3,292</b>	<b>\$ 336,293</b>
<b>Fund cash balances, December 31, 2004</b>	<b>\$ 31,105</b>	<b>\$ 406,622</b>	<b>\$ 3,298</b>	<b>\$ 441,026</b>
<b>Reserve for encumbrance, December 31, 2004</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - PROPRIETARY FUNDS TYPES AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Proprietary Funds	Fiduciary Funds	Total
	Enterprise	Agency	(Memorandum Only)
<b>Cash Receipts:</b>			
Charges for Services	\$ 522,357	\$ -	\$ 522,357
Fines, Licenses and Permits	-	3,495	3,495
Total Cash receipts	522,357	3,495	525,852
<b>Cash Disbursements:</b>			
Personal services	113,186		113,186
Employee fringe benefits	56,561		56,561
Contractual services	104,501	11,089	115,590
Supplies and Materials	64,127		64,127
Capital Outlay	80,103		80,103
Miscellaneous	60,267	7,224	67,491
Total Cash Disbursements	478,745	18,313	497,058
Operating Income/(loss)	43,612	(14,818)	28,794
Non-operating cash receipts and disbursements:			
Local taxes		232,751	232,751
Miscellaneous Receipts	4,076		4,076
Debt service - principal	(95,179)		(95,179)
Debt service - interest	(20,725)		(20,725)
Total non-operating cash disbursements	(111,828)	232,751	120,923
Income before operating transfers and advances	(68,216)	217,933	149,717
Operating transfers out	-	(405,000)	(405,000)
Net receipts over/(under) disbursements	(68,216)	(187,067)	(255,283)
Fund cash balances, January 1, 2004	\$ 276,513	\$ 455,150	\$ 731,663
Fund cash balances, December 31, 2004	<u>\$ 208,297</u>	<u>\$ 268,083</u>	<u>\$ 476,380</u>
Reserve for encumbrance, December 31, 2004	<u>\$ 351</u>	<u>\$ -</u>	<u>\$ 351</u>

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

**VILLAGE OF SAINT PARIS  
CHAMPAIGN COUNTY  
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2005 AND 2004**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Village of Saint Paris, 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. A publicly elected six-member Council directs the Village. The Village provides general governmental services, including water and sewer utilities, police services, and emergency medical 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. The village does not utilize the encumbrance method of accounting, as prescribed by law. Therefore, budgetary presentations report budgetary expenditures when an expenditure is made rather than when an encumbrance is approved.

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

**C. Cash and Investments**

The Village of Saint Paris maintains its cash deposits in an interest-bearing checking account and certificates of deposit.

**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:

**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.

**VILLAGE OF SAINT PARIS  
CHAMPAIGN COUNTY  
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2005 AND 2004**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

**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.

Storm Drain Fund – This fund receives tax levy money to provide maintenance and replacement of storm sewer lines within the Village.

**Capital Project 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 project fund:

Ohio Public Works Commission Grant Fund – This fund receives grant money from the State of Ohio for a storm sewer/drainage project. The Village will be responsible for 10% funding of the project.

**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 non-expendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds.

**Expendable Trust Fund:**

Shank Trust Fund – This fund receives proceeds from the Harold and Josephine Shank Trust Fund. Expenditures are based on the criteria established by the Will of Harold and Josephine Shank. Two-thirds of the funds are to be used for the maintenance of Village emergency services (Johnson Township St. Paris EMS). One-third of the funds are to be used for the maintenance and purchase of trees for Harmon Park and the streets of the Village.



**VILLAGE OF SAINT PARIS  
CHAMPAIGN COUNTY  
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2005 AND 2004**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (continued)**

**Fiduciary Funds (Trust and Agency Funds) (continued)**

**Agency Fund:**

Mayor's Court Fund - This fund receives monies for court fees, fines, and forfeitures. These collections are remitted to the Village and the State of Ohio on a monthly basis.

Income Tax Fund – This fund receives tax collections from village residents who work or reside in the village, or people who work in the village based on one percent of their gross wages.

**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 and Sewer Funds – These funds are used to account for proceeds from water and sewer operations. The revenue is to be used to maintain plant operations and for water and sewer improvements.

Sewer Assessment Fund – This fund's revenue is derived from a monthly assessment on customers. The revenue is used for payment of debt and for maintenance of the sewer plant.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**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. Unencumbered appropriations lapse at year-end.

**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.

**VILLAGE OF SAINT PARIS  
CHAMPAIGN COUNTY  
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2005 AND 2004**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Budgetary Process (continued)**

**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 re-appropriated.

A summary of 2005 and 2004 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.

**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:

	2005	2004
Demand Deposits	\$ 939,576	\$ 897,405
Certificates of Deposit	<u>0</u>	<u>20,000</u>
Total deposits and investments	<u>\$ 939,576</u>	<u>\$ 917,405</u>

Deposits:

Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) covered by specific collateral held by third party trustees.

**VILLAGE OF SAINT PARIS  
CHAMPAIGN COUNTY  
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2005 AND 2004**

**3. Budgetary Activity**

Budgetary activity for the year ending December 31, 2005, was as follows:

2005 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Estimated Revenues</u> <u>Plus Carryover</u> <u>Balance</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 440,681	\$ 415,032	\$ 25,649
Special Revenue	800,114	325,040	475,074
Enterprise	816,463	519,472	296,991
Fiduciary	<u>508,927</u>	<u>255,424</u>	<u>253,503</u>
Total	<u>\$ 2,566,185</u>	<u>\$ 1,514,968</u>	<u>\$ 1,051,217</u>

2005 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation</u> <u>Authority</u>	<u>Budgetary</u> <u>Expenditures</u>	<u>Variance</u>
General	\$ 440,681	\$ 428,734	\$ 11,947
Special Revenue	800,114	375,441	424,673
Enterprise	816,463	621,530	194,933
Fiduciary	<u>508,927</u>	<u>272,859</u>	<u>236,068</u>
Total	<u>\$ 2,566,185</u>	<u>\$ 1,698,564</u>	<u>\$ 867,621</u>

Budgetary activity for the year ending December 31, 2004, was as follows:

2004 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Estimated Revenues</u> <u>Plus Carryover</u> <u>Balance</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 596,912	\$ 461,690	\$ 135,222
Special Revenue	711,606	479,937	231,669
Enterprise	810,135	526,433	283,702
Fiduciary	<u>657,202</u>	<u>237,172</u>	<u>420,030</u>
Total	<u>\$ 2,775,855</u>	<u>\$ 1,705,232</u>	<u>\$ 1,070,623</u>

**VILLAGE OF SAINT PARIS  
CHAMPAIGN COUNTY  
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2005 AND 2004**

**3. Budgetary Activity (Continued)**

2004 Budgetary vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 596,912	\$ 436,762	\$ 160,150
Special Revenue	711,606	400,137	311,469
Enterprise	810,135	595,000	215,135
Fiduciary	<u>657,202</u>	<u>424,233</u>	<u>232,969</u>
Total	<u>\$ 2,775,855</u>	<u>\$ 1,856,132</u>	<u>\$ 919,723</u>

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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. Income Tax**

The Village levies a one percent income tax whose proceeds are placed into the General Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a credit of actual taxes paid to another city. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual income taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

**VILLAGE OF SAINT PARIS  
CHAMPAIGN COUNTY  
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2005 AND 2004**

**6. Debt**

Debt outstanding at December 31, 2005 was as follows:

	Principal	Interest Rate
OWDA Water Pollution Control Loan	\$204,866	2.00%
OPWC Huffman Drive Storm Sewer Loan	57,225	0.00%
First Central National Bank-Digester	79,020	5.25%
First Central National Bank-Core/Hepp	23,044	4.25%
First Central National Bank-Water equip.	86,549	3.50%
First Central National Bank-Truck	31,406	4.00%
First Central National Bank-Backhoe	<u>45,000</u>	4.00%
	<u>\$527,110</u>	

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
OWDA Water Pollution Control Loan	\$ 274,691	2.00%
OPWC Huffman Drive Storm Sewer Loan	64,855	0.00%
First Central National Bank-Digester	99,183	5.25%
First Central National Bank-Core/Hepp	<u>30,540</u>	4.25%
	<u>\$ 469,269</u>	

Prior to 2004, the Village received a loan from The Ohio Water Development Authority (OWDA) Loan was for the sewer plant project. Semiannual principal and interest payments are \$38,757 through 2010.

Prior to 2004, the Village received and interest free loan from the Ohio Public Works Commission (OPWC) for the Huffman Ditch Project. The loan requires semi-annual payments of \$3,815 through 2013.

Prior to 2004, the Village obtained a loan from First Central National Bank for digester equipment for the water plant. Interest is paid semi-annually with annual principal payments through 2009.

Prior to 2004, the Village obtained a loan from First Central National Bank to run water and sewer lines to the Core/Hepp Annexation. Semi-annual payments of principal and interest are \$2,128 through 2013

During 2005, the Village obtained a \$100,000 loan from First Central National Bank to purchase water meter reading equipment. The loan is payable on demand, but if no demand is made, principal and interest payments of \$6,725 are due quarterly through 2009.

During 2005, the Village obtained a loan of \$34,557 from First Central National Bank to purchase a new truck for the street department. Payment is due on demand, but if no demand is made, payments of \$3,848 are due semi-annually through 2010.

**VILLAGE OF SAINT PARIS  
CHAMPAIGN COUNTY  
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2005 AND 2004**

**6. Debt (continued)**

During 2005, the Village obtained a loan of \$45,000 from First Central National Bank to purchase a backhoe for the sewer department. Payment is due on demand, but if no demand is made, semi-annual interest payments will begin in February 2006. Five annual principal payments of \$9,000 each will begin in August of 2006. Principal and interest are due through 2010.

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

Year Ending Dec. 31	OWDA Loan	OPWC Loan	Digester Loan	Water/Sewer Lines Loan	Water Meter Loan	Street Truck Loan	Backhoe Loan
2006	\$ 77,492	\$ 7,630	\$ 24,312	\$ 6,191	\$ 26,902	\$ 7,695	\$ 4,255
2007	77,492	7,630	23,253	6,191	26,902	7,695	4,255
2008	77,492	7,630	22,200	6,191	26,902	7,695	4,255
2009	25,626	7,630	19,503	6,191	13,451	7,695	
2010	0	7,630	0	608	0	3,848	
2011-2015	0	19,075	0	0	0	0	21,277
2016-2020	0	0	0	0	0	0	8,511
Total	<u>\$ 258,102</u>	<u>\$ 57,225</u>	<u>\$ 89,268</u>	<u>\$ 25,372</u>	<u>\$ 94,157</u>	<u>\$ 34,628</u>	<u>\$ 42,553</u>

**7. Retirement Systems**

The Village's law enforcement officers belong to either the Police & Firemen's Disability & Pension Funds (PFDPF) or the Public Employees Retirement System (PERS). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost sharing, multiple-employer plans. These plans provide retirement benefits, including post retirement health care, 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 2005 and 2004, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. 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, 2005.

**8. Risk Management**

**Property and Liability**

The Village has obtained insurance from the Ohio Municipal League Risk Management Plan for the following risks:

- General liability
- Auto liability & Auto Physical Damage
- Law Enforcement
- Property Coverage
- Public Officials Liability

**VILLAGE OF SAINT PARIS  
CHAMPAIGN COUNTY  
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2005 AND 2004**

**8. Risk Management (continued)**

**Workers' Compensation**

For fiscal year 2005 and 2004, the Village participated in the Ohio Municipal League Workers' Compensation Group Rating Program (GRP), and insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the Village by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating municipalities is calculated as one experience and a common premium rate is applied to all municipalities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund."

This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to municipalities that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**Health Insurance**

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

## Report on compliance and on internal control required by Government auditing standards

Honorable Mayor and Village Council  
Village of Saint Paris  
135 West Main Street  
Saint Paris, Ohio 43072

We have audited the financial statements of the Village of Saint Paris, Champaign County, (the Village) as of and for the years ended December 31, 2005, and December 31, 2004, and have issued our report thereon dated June 15, 2006 wherein we noted the Village of Saint Paris prepared its financial statements on the cash basis, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 misstatements, 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*. We noted certain immaterial instances of noncompliance that we have reported to the management of the Village in a separate letter dated June 15, 2006.

### 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 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, which we have reported to management of the Village in a separate letter dated June 15, 2006.

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

**Kathleen M.  
Hughes CPA, JD**

Digitally signed by Kathleen M. Hughes  
CPA, JD  
DN: cn=Kathleen M. Hughes CPA, JD,  
c=US, o=Taylor, Applegate, Hughes &  
Assoc. LTD  
Date: 2006.08.09 16:17:42 -04'00'

Taylor, Applegate, Hughes and Associates, Ltd.  
June 15, 2006





**Auditor of State  
Betty Montgomery**

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**VILLAGE OF SAINT PARIS**

**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  
AUGUST 29, 2006**