

**VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2009 - 2008**





# Mary Taylor, CPA

Auditor of State

Village Council  
Village of Amsterdam  
P O Box 115  
103 Springfield Street  
Amsterdam, Ohio 43903

We have reviewed the *Independent Accountants' Report* of the Village of Amsterdam, Jefferson County, prepared by Knox & Knox, for the audit period January 1, 2008 through December 31, 2009. 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. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State 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 Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State 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 Amsterdam is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

July 30, 2010

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VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY

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Accountants and Consultants

## Independent Accountants' Report

Village of Amsterdam  
Jefferson County  
103 Springfield Street  
Amsterdam, Ohio 43903

To the Village Council:

We have audited the accompanying financial statements of the Village of Amsterdam, Jefferson County, Ohio, (the Village) as of and for the years ended December 31, 2009 and 2008. 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, if any, 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 its 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 accounting principles generally accepted in the United States of America, 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 years ended December 31, 2009 and 2008. In addition to the accompanying financial statements present for 2009 and 2008, the revisions require presenting entity wide statements. 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 governments to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. 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 years ended December 31, 2009 and 2008 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, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Village of Amsterdam, Jefferson County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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 our report dated June 14, 2010, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with 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 on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

***Knox & Knox***

Orrville, Ohio  
June 14, 2010

VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY

COMBINED STATEMENT OF CASH FUND BALANCES - ALL FUND TYPES  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents	<u>\$91,956</u>	<u>\$118,903</u>
Total Cash and Cash Equivalents	<u>\$91,956</u>	<u>\$118,903</u>
CASH FUND BALANCES		
Government Fund Types:		
General Fund	\$69,184	\$96,114
Special Revenue Funds	<u>22,772</u>	<u>22,789</u>
Total Government Fund Types	<u>91,956</u>	<u>118,903</u>
TOTAL CASH FUND BALANCES	<u>\$91,956</u>	<u>\$118,903</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, 2009

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
<b>CASH RECEIPTS:</b>			
Property and Other Local Taxes	\$18,274	\$14,738	\$33,012
Intergovernmental	20,509	26,862	47,371
Licenses, Fees, and Permits	25,137		25,137
Earnings on Investments	1,104		1,104
Miscellaneous	<u>4,019</u>	<u>350</u>	<u>4,369</u>
Total Cash Receipts	<u>69,043</u>	<u>41,950</u>	<u>110,993</u>
<b>CASH DISBURSEMENTS</b>			
Current:			
Security of Persons and Property	32,334	9,577	41,911
Public Health Services	515		515
Leisure Time Activities		6,157	6,157
Transportation		19,737	19,737
General Government	57,607	5,263	62,870
Capital Outlay		<u>4,723</u>	<u>4,723</u>
Total Cash Disbursements	<u>90,456</u>	<u>45,457</u>	<u>135,913</u>
Total Receipts Over/(Under) Disbursements)	(21,413)	(3,507)	(24,920)
<b>OTHER FINANCING RECEIPTS/DISBURSEMENTS</b>			
Transfers-In		3,490	3,490
Transfers-Out	(3,490)		(3,490)
Other Financing Uses	<u>(2,027)</u>		<u>(2,027)</u>
Total Other Financing Receipts/Disbursements	<u>(5,517)</u>	<u>3,490</u>	<u>(2,027)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(26,930)	(17)	(26,947)
Fund Cash Balances, January 1	<u>96,113</u>	<u>22,790</u>	<u>118,903</u>
<b>FUND CASH BALANCES, DECEMBER 31</b>	<u><u>\$69,183</u></u>	<u><u>\$22,773</u></u>	<u><u>\$91,956</u></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, 2008

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<b>CASH RECEIPTS:</b>			
Property and Other Local Taxes	\$18,528	\$14,545	\$33,073
Intergovernmental	61,847	24,676	86,523
Licenses, Fees, and Permits	21,902		21,902
Earnings on Investments	1,188		1,188
Miscellaneous	7,662		7,662
Total Cash Receipts	111,127	39,221	150,348
<b>CASH DISBURSEMENTS</b>			
Current:			
Security of Persons and Property	29,802	10,176	39,978
Public Health Services	517		517
Leisure Time Activities		6,323	6,323
Transportation		20,342	20,342
General Government	36,595	5,751	42,346
Capital Outlay	2,030		2,030
Total Cash Disbursements	68,944	42,592	111,536
Total Receipts Over/(Under) Disbursements	42,183	(3,371)	38,812
<b>OTHER FINANCING RECEIPTS/DISBURSEMENTS</b>			
Transfers-In		500	500
Transfers-Out	(500)		(500)
Other Financing Uses	(877)		(877)
Total Other Financing Receipts/Disbursements	(1,377)	500	(877)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	40,806	(2,871)	37,935
Fund Cash Balances, January 1	55,307	25,661	80,968
<b>FUND CASH BALANCES, DECEMBER 31</b>	<b>\$96,113</b>	<b>\$22,790</b>	<b>\$118,903</b>

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

VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **DESCRIPTION OF THE ENTITY**

The Village of Amsterdam, Jefferson County, Ohio, (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 of Amsterdam 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 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 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 has the following significant Special Revenue Fund:

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

VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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

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 department, division or office level of control, and within each, amounts appropriated for personal services. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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 individual commitments are made. Encumbrances outstanding at year end are cancelled, and reappropriated in the subsequent year.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

E. **PROPERTY, PLANT AND EQUIPMENT**

Acquisitions of property, plant and equipment are recorded as capital outlay 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 and investment 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:

	<u>2009</u>	<u>2008</u>
Demand deposits	<u>\$91,956</u>	<u>\$118,903</u>

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

VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2009 and 2008, follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$68,799	\$69,043	\$244
Special Revenue	44,987	45,440	453
Total	\$113,786	\$114,483	\$697

2009 Budgeted vs Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$164,915	\$95,973	\$68,942
Special Revenue	67,776	45,457	22,319
Total	\$232,691	\$141,430	\$91,261

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$106,773	\$111,127	\$4,354
Special Revenue	38,606	39,721	1,115
Total	\$145,379	\$150,848	\$5,469

2008 Budgeted vs Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$162,081	\$70,321	\$91,760
Special Revenue	64,266	42,592	21,674
Total	\$226,347	\$112,913	\$113,434

**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 for first half is due December 31. The second half payment is due the following June 20.

VILLAGE OF AMSTERDAM  
JEFFERSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

4. **PROPERTY TAX** (continued)

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owner, 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 SYSTEM**

The Village's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contributions rates are also prescribed by the Ohio Revised Code. For 2009 and 2008, OPERS members contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2009.

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 officials' liability

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Accountants and Consultants

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

Village of Amsterdam  
Jefferson County  
103 Springfield Street  
Amsterdam, Ohio 43903

To the Village Council:

We have audited the financial statements of the Village of Amsterdam, Ohio, as of and for the years ended December 31, 2009 and December 31, 2008, which collectively comprise the basic financial statements and have issued our report thereon dated June 14, 2010 wherein we noted the Village of Amsterdam, Ohio, follows accounting practices prescribed by the Auditor of State. 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Village of Amsterdam, Ohio's internal control over financial reporting as basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not to express an opinion on the effectiveness of the Village of Amsterdam, Ohio's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village of Amsterdam, Ohio's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Village of Amsterdam, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Village of Amsterdam, Ohio, in a separate letter dated June 14, 2010.

We intend this report solely for the information and use of the, management, the Village Council, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

KNOX & KNOX

Orrville, Ohio  
June 14, 2010



**Mary Taylor, CPA**  
Auditor of State

**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  
AUGUST 12, 2010**