



**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF BUCKLAND
AUGLAIZE COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Buckland
Auglaize County
P. O. Box 83
105 North Main Street
Buckland, Ohio 45819

To the Village Council:

We have audited the accompanying financial statements of the Village of Buckland, Auglaize County, (the Village) as of and for the years ended December 31, 2000 and December 31, 1999. 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 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 2000 and December 31, 1999, 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 March 30, 2001 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 management, and 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.

Jim Petro
Auditor of State

March 30, 2001

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$6,176	\$690	\$6,866
Intergovernmental Receipts	75,089	8,194	83,283
Charges for Services	33,830		33,830
Earnings on Investments	1,566	736	2,302
Miscellaneous	14,122		14,122
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	130,783	9,620	140,403
Cash Disbursements:			
Current:			
Security of Persons and Property	45,196		45,196
Public Health Services	1,210		1,210
Leisure Time Activities	12,787		12,787
Basic Utility Services	13,430		13,430
Transportation	3,385	2,432	5,817
General Government	19,065		19,065
Debt Service:			
Principal Payments	9,456		9,456
Interest Payments	6,228		6,228
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	110,757	2,432	113,189
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	20,026	7,188	27,214
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	43,290	23,798	67,088
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$63,316</u>	<u>\$30,986</u>	<u>\$94,302</u>

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

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$5,464	\$605	\$6,069
Intergovernmental Receipts	73,966	8,138	82,104
Charges for Services	29,309		29,309
Earnings on Investments	1,217	520	1,737
Miscellaneous	2,727		2,727
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	112,683	9,263	121,946
Cash Disbursements:			
Current:			
Security of Persons and Property	31,276		31,276
Public Health Services	1,010		1,010
Leisure Time Activities	6,451		6,451
Basic Utility Services	13,904		13,904
Transportation	3,805	3,548	7,353
General Government	34,757		34,757
Capital Outlay	24,265		24,265
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	115,468	3,548	119,016
Total Receipts Over/(Under) Disbursements	(2,785)	5,715	2,930
Fund Cash Balances, January 1	46,075	18,083	64,158
Fund Cash Balances, December 31	<u>\$43,290</u>	<u>\$23,798</u>	<u>\$67,088</u>
Reserves for Encumbrances, December 31	<u>\$290</u>	<u>\$44</u>	<u>\$334</u>

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

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Buckland, Auglaize 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 park operations (leisure time activities), police services, fire protection services, refuse services and street construction maintenance and repair.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Cash and Investments

The Village maintains all of its funds in an interest bearing checking account.

D. 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 Funds

These funds are used to account for proceeds from specific sources 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.

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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>2000</u>	<u>1999</u>
Demand deposits	\$ 94,302	\$ 67,088

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

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 117,552	\$ 130,783	\$ 13,231
Special Revenue	9,263	9,620	357
Total	\$ 126,815	\$ 140,403	\$ 13,588

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 161,132	\$ 110,757	\$ 50,375
Special Revenue	33,105	2,432	30,673
Total	\$ 194,237	\$ 113,189	\$ 81,048

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 115,796	\$ 112,683	\$ (3,113)
Special Revenue	7,270	9,263	1,993
Total	\$ 123,066	\$ 121,946	\$ (1,120)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 161,871	\$ 115,758	\$ 46,113
Special Revenue	25,352	3,592	21,760
Total	\$ 187,223	\$ 119,350	\$ 67,873

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 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.

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. PROPERTY TAX (Continued)

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. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Lease/Purchase Agreement	\$ 110,544	5%

The Lease/Purchase agreement is related to the purchase of an Emergency One American Eagle Fire Truck. The lease will be repaid in annual installments of \$15,684, including interest, over 10 years.

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

Year ending December 31:	Principal	Interest	Total
2001	\$9,947	\$5,737	\$15,684
2002	10,463	5,221	15,684
2003	11,006	4,678	15,684
2004	11,578	4,106	15,684
2005	12,178	3,506	15,684
Subsequent	55,372	7,366	62,738
Total	\$110,544	\$ 30,614	\$ 141,158

6. RETIREMENT SYSTEMS

The Village's employees and part-time law enforcement officers 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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries from January 1999 through June 2000, and an amount equal to 8.13% of participants' gross salaries for July 2000 through December 2000. The Village has paid all contributions required through December 31, 2000.

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

7. RISK MANAGEMENT

The Village has obtained commercial insurance through the Ohio Government Risk Management Plan for the following risks:

- Comprehensive property and general liability
- Vehicles
- Wrongful Acts
- Law Enforcement
- Automobile
- Inland Marine
- Fire Vehicle

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

Village of Buckland
Auglaize County
P. O. Box 83
105 North Main Street
Buckland, Ohio 45819

To the Village Council:

We have audited the accompanying financial statements of the Village of Buckland, Auglaize County, (the Village), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated March 30, 2001. 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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-30206-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 30, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated March 30, 2001.

Village of Buckland
Auglaize County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

March 30, 2001

VILLAGE OF BUCKLAND
AUGLAIZE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER	2000-30206-001	NONCOMPLIANCE
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Ohio Rev. Code Section 102.03(D)&(E), and Ohio Ethics Opinion 93-006 , prohibit the members of village council from enacting an ordinance granting an in-term increase in compensation for current members of council, or the mayor, and also prohibits a council member, or a mayor, from accepting, for the duration of his present term, an increase in compensation.

The Village enacted Ordinance #200, granting council member salary increases from \$25 per meeting to \$50 per meeting, effective January 1, 2000. All council members received the increase, although several did not start a new term as of January 1, 2000.

This matter is being referred to the county prosecutor and the village solicitor.



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VILLAGE OF BUCKLAND

AUGLAIZE 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
MAY 8, 2001**