



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF LUCKEY
WOOD COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Luckey
Wood County
226 Main Street
P.O. Box 384
Luckey, Ohio 43443-0384

To the Village Council:

We have audited the accompanying financial statements of the Village of Luckey, Wood County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 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 audits.

We conducted our audits 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 audits 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 audits provide 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 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 August 22, 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 audits.

Village of Luckey
Wood County
Report of Independent Accountants
Page 2

This report is intended solely for the information and use of management, Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

August 22, 2001

**VILLAGE OF LUCKEY
WOOD 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>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$145,875	\$22,402			\$168,277
Special Assessments		12,062			12,062
Intergovernmental Receipts	71,340	36,147			107,487
Charges for Services	34,199		\$63,479		97,678
Fines, Licenses, and Permits	5,566		2,657		8,223
Earnings on Investments	4,172	1,484	1,039		6,695
Miscellaneous	9,020				9,020
Total Cash Receipts	<u>270,172</u>	<u>72,095</u>	<u>67,175</u>		<u>409,442</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	31,948	39,131			71,079
Public Health Services	631				631
Leisure Time Activities	6,521	37,079			43,600
Community Environment	53,017				53,017
Basic Utility Services	39,679				39,679
Transportation		17,299			17,299
General Government	44,835				44,835
Debt Service:					
Principal Payments			22,179	\$8,998	31,177
Interest Payments			31,985	2,362	34,347
Capital Outlay				1,025	1,025
Total Cash Disbursements	<u>176,631</u>	<u>93,509</u>	<u>54,164</u>	<u>12,385</u>	<u>336,689</u>
Total Receipts Over/(Under) Disbursements	<u>93,541</u>	<u>(21,414)</u>	<u>13,011</u>	<u>(12,385)</u>	<u>72,753</u>
Other Financing Receipts/(Disbursements):					
Transfers-In		7,129		27,263	34,392
Advances-In		26,250			26,250
Transfers-Out	(34,392)				(34,392)
Advances-Out	(26,250)				(26,250)
Other Sources	8				8
Total Other Financing Receipts/(Disbursements)	<u>(60,634)</u>	<u>33,379</u>		<u>27,263</u>	<u>8</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	32,907	11,965	13,011	14,878	72,761
Fund Cash Balances, January 1	<u>80,268</u>	<u>47,722</u>	<u>27,489</u>	<u>24,736</u>	<u>180,215</u>
Fund Cash Balances, December 31	<u>\$113,175</u>	<u>\$59,687</u>	<u>\$40,500</u>	<u>\$39,614</u>	<u>\$252,976</u>

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

**VILLAGE OF LUCKEY
WOOD COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$35,173		\$35,173
Operating Cash Disbursements:			
Personal Services	15,641		15,641
Contractual Services	9,658		9,658
Supplies and Materials	14,504		14,504
Total Operating Cash Disbursements	39,803		39,803
Operating Loss	(4,630)		(4,630)
Non-Operating Cash Receipts:			
Miscellaneous	887		887
Other Non-Operating Cash Receipts		\$2,210	2,210
Total Non-Operating Cash Receipts	887	2,210	3,097
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements		2,210	2,210
Net Disbursements Over Receipts	(3,743)		(3,743)
Fund Cash Balances, January 1	38,428		38,428
Fund Cash Balances, December 31	\$34,685		\$34,685

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

**VILLAGE OF LUCKEY
WOOD 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>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$125,258	\$21,400			\$146,658
Special Assessments		12,025			12,025
Intergovernmental Receipts	20,498	36,537			57,035
Charges for Services	35,015		\$57,020		92,035
Fines, Licenses, and Permits	6,664		1,027		7,691
Earnings on Investments	3,057	1,348	762		5,167
Miscellaneous	16,700				16,700
Total Cash Receipts	<u>207,192</u>	<u>71,310</u>	<u>58,809</u>		<u>337,311</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	31,832	35,654			67,486
Public Health Services	632				632
Leisure Time Activities	4,764				4,764
Community Environment	56,976				56,976
Basic Utility Services	39,486				39,486
Transportation		18,959			18,959
General Government	51,985				51,985
Debt Service:					
Principal Payments			20,706	\$4,160	24,866
Interest Payments			33,458		33,458
Capital Outlay				15,510	15,510
Total Cash Disbursements	<u>185,675</u>	<u>54,613</u>	<u>54,164</u>	<u>19,670</u>	<u>314,122</u>
Total Receipts Over/(Under) Disbursements	<u>21,517</u>	<u>16,697</u>	<u>4,645</u>	<u>(19,670)</u>	<u>23,189</u>
Other Financing Receipts/(Disbursements):					
Transfers-In				23,288	23,288
Transfers-Out	(23,288)				(23,288)
Other Sources	176				176
Total Other Financing Receipts/(Disbursements)	<u>(23,112)</u>			<u>23,288</u>	<u>176</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,595)	16,697	4,645	3,618	23,365
Fund Cash Balances, January 1	<u>81,863</u>	<u>31,025</u>	<u>22,844</u>	<u>21,118</u>	<u>156,850</u>
Fund Cash Balances, December 31	<u>\$80,268</u>	<u>\$47,722</u>	<u>\$27,489</u>	<u>\$24,736</u>	<u>\$180,215</u>

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

**VILLAGE OF LUCKEY
WOOD COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$33,116		\$33,116
Operating Cash Disbursements:			
Personal Services	18,756		18,756
Contractual Services	6,286		6,286
Supplies and Materials	9,407		9,407
Total Operating Cash Disbursements	34,449		34,449
Operating Loss	(1,333)		(1,333)
Non-Operating Cash Receipts:			
Miscellaneous	1,065		1,065
Other Non-Operating Cash Receipts		\$4,150	4,150
Total Non-Operating Cash Receipts	1,065	4,150	5,215
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements		4,150	4,150
Net Disbursements Over Receipts	(268)		(268)
Fund Cash Balances, January 1	38,696		38,696
Fund Cash Balances, December 31	\$38,428		\$38,428

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

**VILLAGE OF LUCKEY
WOOD 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 Luckey, Wood 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 sewer utilities, park operations (leisure time activities), and police 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. Cash and Investments

The Village maintains only an interest bearing checking account.

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:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Police Fund - This fund receives real estate and personal property taxes to provide police services for the Village.

Park Fund - This fund receives grants and donations to be used for the maintenance and improvement of the Village park.

**VILLAGE OF LUCKEY
WOOD COUNTY**

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

3. Debt Service Fund

These funds are used to accumulate resources for the payment of loans. The Village had the following significant debt service fund:

Debt Retirement Fund - This fund receives proceeds from user fees for the sewer to repay the OWDA loan.

4. 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:

Capital Projects Fund - This fund receives transfers from the General Fund for capital improvements.

5. 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 Fund:

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

6. Fiduciary Funds (Agency Funds)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund:

Mayor's Court Fund - This fund receives and disburses money from cases heard.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

**VILLAGE OF LUCKEY
WOOD COUNTY**

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are cancelled, and reappropriated in the subsequent year.

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.

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 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	<u>\$287,661</u>	<u>\$218,643</u>

Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$237,523	\$270,180	\$32,657
Special Revenue	96,951	79,224	(17,727)
Debt Service	58,500	67,175	8,675
Capital Projects	19,000	27,263	8,263
Enterprise	34,500	36,060	1,560
Total	\$446,474	\$479,902	\$33,428

**VILLAGE OF LUCKEY
WOOD COUNTY**

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

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$297,518	\$211,023	\$86,495
Special Revenue	105,413	93,509	11,904
Debt Service	54,164	54,164	
Capital Projects	21,000	12,385	8,615
Enterprise	40,860	39,803	1,057
Total	<u>\$518,955</u>	<u>\$410,884</u>	<u>\$108,071</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$234,432	\$207,368	(\$27,064)
Special Revenue	66,413	71,310	4,897
Debt Service	58,000	58,809	809
Capital Projects	19,000	23,288	4,288
Enterprise	34,000	34,181	181
Total	<u>\$411,845</u>	<u>\$394,956</u>	<u>(\$16,889)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$286,675	\$208,963	\$77,712
Special Revenue	66,921	54,613	12,308
Debt Service	54,164	54,164	
Capital Projects	20,000	19,670	330
Enterprise	35,358	34,449	909
Total	<u>\$463,118</u>	<u>\$371,859</u>	<u>\$91,259</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.

**VILLAGE OF LUCKEY
WOOD COUNTY**

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

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
Ohio Water Development Authority Loan	\$427,692	7.11%
Lease Purchase for Backhoe	30,367	6.00%

The Ohio Water Development Authority (OWDA) loan relates to a sewer line project that was mandated by the Ohio Environmental Protection Agency. The loan will be repaid in semiannual installments of \$54,164, including interest, over 25 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Village purchased a backhoe in 1999 to be paid over 5 years in annual payments beginning in 1999 of \$11,360.

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

	OWDA Loan	General Obligation Bonds
Year ending December 31:		
2001	\$54,165	\$11,360
2002	54,164	11,360
2003	54,165	11,361
2004	54,164	1
2005	54,165	
Subsequent	379,150	
Total	\$649,973	\$34,082

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Fund (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide 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 OP&F contributed 10% of their wages to the OP&F. 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% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. The Village has paid all contributions required through December 31, 2000.

**VILLAGE OF LUCKEY
WOOD COUNTY**

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

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Errors and omissions.

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



STATE OF OHIO
OFFICE OF THE AUDITOR

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

Village of Luckey
Wood County
226 Main Street
P.O. Box 384
Luckey, Ohio 43443-0384

To the Village Council:

We have audited the accompanying financial statements of the Village of Luckey (the Village) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 22, 2001. We conducted our audits 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 August 22, 2001.

Village of Luckey
Wood 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

August 22, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF LUCKEY

WOOD 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
SEPTEMBER 13, 2001**