

VILLAGE OF TARLTON
PICKAWAY COUNTY, OHIO
REGULAR AUDIT

January 1, 2000 - December 31, 2001

BALESTRA & COMPANY
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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Village Council
Village of Tarlton
P.O. Box 155
Tarlton, Ohio 43156

We have reviewed the Independent Auditor's Report of the Village of Tarlton, Pickaway County, prepared by Balestra & Company, for the audit period January 1, 2000 through December 31, 2001. 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.

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 Tarlton is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

May 17, 2002

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VILLAGE OF TARLTON
PICKAWAY COUNTY, OHIO
JANUARY 1, 2000 THROUGH DECEMBER 31, 2001

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Independent Auditor's Report

Village Council
Village of Tarlton
Tarlton, Ohio 43156

We have audited the accompanying financial statements of the Village of Tarlton, Pickaway County, Ohio, (the Village) as of and for the year ended December 31, 2001 and December 31, 2000. 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 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 accounting principles generally accepted in the United States of America.

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 of Tarlton, Pickaway County, Ohio, as of December 31, 2001 and December 31, 2000, 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 8, 2002 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. This 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 officials authorized to receive this report under Section 117.26 of the Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Balestra & Company
Balestra & Company

March 8, 2002

**VILLAGE OF TARLTON
PICKAWAY COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General	Special Revenue	Debt Service	(Memorandum Only) Total
Cash receipts:				
Property taxes	\$6,846	\$0	\$0	\$6,846
Local taxes	0	755	0	755
Intergovernmental	26,732	7,832	0	34,564
Interest	2,079	407	0	2,486
Miscellaneous	5,451	0	0	5,451
Total cash receipts	41,108	8,994	0	50,102
Cash disbursements:				
Current:				
Security of persons and property	5,160	0	0	5,160
Public Health Service	545	0	0	545
Leisure time activities	427	0	0	427
Basic Utility Service	143	0	0	143
Transportation	187	2,075	0	2,262
General government	29,519	0	0	29,519
Debt Service- Principal	0	0	2,837	2,837
Debt Service- Interest	0	0	3,163	3,163
Total program disbursements	35,981	2,075	6,000	44,056
Total receipts over/(under) program disbursements	5,127	6,919	(6,000)	6,046
Other financing receipts/(disbursements):				
Transfers-in	0	0	6,000	6,000
Transfers-out	(6,000)	0	0	(6,000)
Total other financing receipts/(disbursements)	(6,000)	0	6,000	0
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(873)	6,919	0	6,046
Fund cash balances January 1, 2001	28,361	39,537	0	67,898
Fund cash balances, December 31, 2001	\$27,488	\$46,456	\$0	\$73,944
Reserve for encumbrances, December 31, 2001	\$0	\$0	\$0	\$0

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

**VILLAGE OF TARLTON
PICKAWAY COUNTY, OHIO**

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

	General	Special Revenue	Debt Service	(Memorandum Only) Total
Cash receipts:				
Property taxes	\$6,604	\$0	\$0	\$6,604
Local taxes	0	698	0	698
Intergovernmental	26,744	8,089	0	34,833
Interest	3,296	500	0	3,796
Miscellaneous	4,716	0	0	4,716
Total cash receipts	41,360	9,287	0	50,647
Cash disbursements:				
Current:				
Security of persons and property	5,923	0	0	5,923
Public Health Service	516	0	0	516
Leisure time activities	371	0	0	371
Transportation	637	2,092	0	2,729
General government	27,562	0	0	27,562
Debt Service- Principal	0	0	2,663	2,663
Debt Service- Interest	0	0	3,337	3,337
Capital outlay	5,000	0	0	5,000
Total program disbursements	40,009	2,092	6,000	48,101
Total receipts over/(under) program disbursements	1,351	7,195	(6,000)	2,546
Other financing receipts/(disbursements):				
Transfers-in	0	0	6,000	6,000
Transfers-out	(6,000)	0	0	(6,000)
Total other financing receipts/(disbursements)	(6,000)	0	6,000	0
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(4,649)	7,195	0	2,546
Fund cash balances January 1, 2000	33,010	32,342	0	65,352
Fund cash balances, December 31, 2000	\$28,361	\$39,537	\$0	\$67,898
Reserve for encumbrances, December 31, 2000	\$0	\$0	\$0	\$0

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

VILLAGE OF TARLTON
PICKAWAY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING DECEMBER 31, 2001 AND DECEMBER 31, 2000

1. **Summary of Significant Accounting Policies**

A. **Description of the Entity**

The Village of Tarlton, Pickaway 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 water and sewer utilities, and park operations (leisure time activities). The Village contracts with the Pickaway County Sheriff's department to provide security of persons and property.

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 a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

C. **Cash**

Certificates of deposit are valued at cost.

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.

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.

State Highway- This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Permissive Motor Vehicle License Fund- This fund receives permissive motor vehicle license tax money for constructing, maintaining and repairing Village streets.

VILLAGE OF TARLTON
PICKAWAY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING DECEMBER 31, 2001 AND DECEMBER 31, 2000

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

D. **Fund Accounting (Continued)**

Debt Service Fund

This fund accounts for resources to be used to meet the Village's debt requirements. The Village has the following Debt Service Fund:

Debt Service Fund - This fund accounts for the repayment of the Village's bank loan used to acquire land for use as a park.

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 Village 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.

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made.

A summary of 2001 and 2000 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:

	2001	2000
Demand deposits	\$73,944	\$67,898
Total deposits	\$73,944	\$67,898

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

VILLAGE OF TARLTON
PICKAWAY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING DECEMBER 31, 2001 AND DECEMBER 31, 2000

3. **Budgetary Activity**

Budgetary activity for the years ending December 31, 2001, and December 31, 2000, was as follows:

2001 Budgeted VS. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$91,021	\$41,108	(\$49,913)
Special Revenue	26,085	8,994	(17,091)
Debt Service	6,000	6,000	0
Total	<u>\$123,106</u>	<u>\$56,102</u>	<u>(\$67,004)</u>

2001 Budgeted VS. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$91,021	\$41,981	\$49,040
Special Revenue	26,085	2,075	24,010
Debt Service	6,000	6,000	0
Total	<u>\$123,106</u>	<u>\$50,056</u>	<u>\$73,050</u>

2000 Budgeted VS. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$88,517	\$41,360	(\$47,157)
Special Revenue	18,700	9,287	(9,413)
Debt Service	6,000	6,000	0
Total	<u>\$113,217</u>	<u>\$56,647</u>	<u>(\$56,570)</u>

2000 Budgeted VS. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$88,517	\$46,009	\$42,508
Special Revenue	18,700	2,092	16,608
Debt Service	6,000	6,000	0
Total	<u>\$113,217</u>	<u>\$54,101</u>	<u>\$59,116</u>

VILLAGE OF TARLTON
PICKAWAY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING DECEMBER 31, 2001 AND DECEMBER 31, 2000

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. 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 the 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. **Debt**

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
The Savings Bank Loan	\$51,183	6.00%

The Savings Bank loan relates to the acquisition of vacant land for to be used as the Village park. The Savings Bank loaned \$59,000 to the Village for this project. The loan will be repaid in monthly installments of \$500, including interest, over 4 years, and a balloon payment of the remaining principal and interest in the 5th year.

Future amortization of the above debt, including interest of \$6,021, is scheduled as follows:

<u>Year ending December 31</u>	<u>The Saving Bank Loan</u>
2002	6,000
2003	6,000
2004	45,204
Total	<u><u>\$57,204</u></u>

VILLAGE OF TARLTON
PICKAWAY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING DECEMBER 31, 2001 AND DECEMBER 31, 2000

6. **Retirement Systems**

All Village employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement 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 2001, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.5% for January, 2000 through June, 2000 and all of 2001 of participant's gross salaries. The contribution amount was decreased for July, 2000 through December 2000 to 8.13% due to the Retirement Board instituting a temporary employer contribution rate rollback for calendar year 2000. The Village's outstanding contributions at December 31, 2001 was \$453, representing 2001's fourth quarter liability.

7. **Risk Management**

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- Property
- Vehicle

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Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Village Council
Village of Tarlton
Tarlton, Ohio 43156

We have audited the accompanying financial statements of the Village of Tarlton, Pickaway County, Ohio (the Village), as of and for the years ended December 31, 2001 and December 31, 2000. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Audit Standards*

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

Balestra & Company
Balestra & Company

March 8, 2002



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OFFICE OF THE AUDITOR

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VILLAGE OF TARLTON

PICKAWAY 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 30, 2002**