



**VILLAGE OF LUCKEY
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2003-2004



**Auditor of State
Betty Montgomery**

VILLAGE OF LUCKEY
WOOD COUNTY

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**Auditor of State
Betty Montgomery**

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

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While 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. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Betty Montgomery
Auditor of State

September 28, 2005

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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, (the Village) as of and for the years ended December 31, 2004 and 2003. 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audits to reasonably assure 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 our audits provide 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, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Village does not follow GAAP, generally accepted auditing standards requires 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 reformat its statements. Since this 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, 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, 2004, or its changes in financial position or cash flows of its proprietary funds 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 of the Village of Luckey, Wood County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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, 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 our report dated September 28, 2005, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

September 28, 2005

**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, 2004**

| | Governmental Fund Types | | | | Totals (Memorandum Only) |
|--|-------------------------|--------------------|-----------------|---------------------|--------------------------------|
| | General | Special Revenue | Debt Service | Capital Projects | |
| Cash Receipts: | | | | | |
| Property Tax and Other Local Taxes | \$43,490 | \$23,573 | | | \$67,063 |
| Municipal Income Taxes | 148,686 | | | | 148,686 |
| Special Assessments | | 11,251 | \$63,457 | | 74,708 |
| Intergovernmental Receipts | 33,259 | 45,446 | | | 78,705 |
| Charges for Services | 40,301 | | | | 40,301 |
| Fines, Licenses, and Permits | 7,048 | | | | 7,048 |
| Earnings on Investments | 4,990 | 1,608 | 1,170 | \$127 | 7,895 |
| Miscellaneous | 8,200 | | 3,056 | | 11,256 |
| | 285,974 | 81,878 | 67,683 | 127 | 435,662 |
| Cash Disbursements: | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 34,362 | 43,224 | | | 77,586 |
| Public Health Services | 824 | | | | 824 |
| Leisure Time Activities | 6,310 | | | | 6,310 |
| Community Environment | 68,049 | | | | 68,049 |
| Basic Utility Services | 50,079 | | | | 50,079 |
| Transportation | | 20,435 | | | 20,435 |
| General Government | 71,268 | | | | 71,268 |
| Debt Service: | | | | | |
| Principal Payments | | | 29,191 | | 29,191 |
| Interest Payments | | | 24,587 | | 24,587 |
| Capital Outlay | | | | 151,897 | 151,897 |
| | 230,892 | 63,659 | 53,778 | 151,897 | 500,226 |
| Total Receipts Over/(Under) Disbursements | 55,082 | 18,219 | 13,905 | (151,770) | (64,564) |
| Other Financing Receipts and (Disbursements): | | | | | |
| Sale of Fixed Assets | 4,367 | | | | 4,367 |
| Other Debt Proceeds | | | | 105,298 | 105,298 |
| Transfers-In | | | | 37,171 | 37,171 |
| Transfers-Out | (37,171) | | | | (37,171) |
| | (32,804) | | | 142,469 | 109,665 |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | 22,278 | 18,219 | 13,905 | (9,301) | 45,101 |
| Fund Cash Balances, January 1 | 259,032 | 92,363 | 71,029 | 55,993 | 478,417 |
| Fund Cash Balances, December 31 | \$281,310 | \$110,582 | \$84,934 | \$46,692 | \$523,518 |

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 FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

| | Proprietary Fund Type |
|--|----------------------------------|
| | Enterprise |
| Operating Cash Receipts: | |
| Charges for Services | \$67,654 |
| Fines, Licenses and Permits | 5,007 |
| | 72,661 |
| Total Operating Cash Receipts | 72,661 |
| Operating Cash Disbursements: | |
| Personal Services | 16,731 |
| Contractual Services | 48,043 |
| Supplies and Materials | 22,594 |
| | 87,368 |
| Total Operating Cash Disbursements | 87,368 |
| Operating Loss | (14,707) |
| Non-Operating Cash Receipts: | |
| Intergovernmental Receipts | 113 |
| Earnings on Investments | 66 |
| | 179 |
| Total Non-Operating Cash Receipts | 179 |
| Net Disbursements Over Receipts | (14,528) |
| Fund Cash Balances, January 1 | 62,608 |
| Fund Cash Balances, December 31 | \$48,080 |

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, 2003**

| | Governmental Fund Types | | | | Totals (Memorandum Only) |
|--|-------------------------|--------------------|-----------------|---------------------|--------------------------------|
| | General | Special Revenue | Debt Service | Capital Projects | |
| Cash Receipts: | | | | | |
| Property Tax and Other Local Taxes | \$42,174 | \$22,879 | | | \$65,053 |
| Municipal Income Tax | 143,510 | | | | 143,510 |
| Special Assessments | | 11,130 | \$62,943 | | 74,073 |
| Intergovernmental Receipts | 21,959 | 39,190 | | | 61,149 |
| Charges for Services | 40,611 | | | | 40,611 |
| Fines, Licenses, and Permits | 6,238 | | 3,183 | | 9,421 |
| Earnings on Investments | 2,749 | 1,193 | 734 | \$554 | 5,230 |
| Miscellaneous | 7,723 | | | | 7,723 |
| | | | | | |
| Total Cash Receipts | 264,964 | 74,392 | 66,860 | 554 | 406,770 |
| Cash Disbursements: | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 40,219 | 38,334 | | | 78,553 |
| Public Health Services | 801 | | | | 801 |
| Leisure Time Activities | 5,504 | | | | 5,504 |
| Community Environment | 63,537 | | | | 63,537 |
| Basic Utility Services | 55,585 | | | | 55,585 |
| Transportation | | 24,479 | | | 24,479 |
| General Government | 55,031 | | | | 55,031 |
| Debt Service: | | | | | |
| Principal Payments | | | 27,253 | 10,718 | 37,971 |
| Interest Payments | | | 26,703 | 603 | 27,306 |
| Capital Outlay | | 3,200 | | 108,224 | 111,424 |
| | | | | | |
| Total Cash Disbursements | 220,677 | 66,013 | 53,956 | 119,545 | 460,191 |
| Total Receipts Over/(Under) Disbursements | 44,287 | 8,379 | 12,904 | (118,991) | (53,421) |
| Other Financing Receipts and (Disbursements): | | | | | |
| Other Debt Proceeds | | | | 72,600 | 72,600 |
| Transfers-In | | | | 35,877 | 35,877 |
| Transfers-Out | (35,877) | | | | (35,877) |
| | | | | | |
| Total Other Financing Receipts/(Disbursements) | (35,877) | | | 108,477 | 72,600 |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | 8,410 | 8,379 | 12,904 | (10,514) | 19,179 |
| Fund Cash Balances, January 1 | 250,622 | 83,984 | 58,125 | 66,507 | 459,238 |
| Fund Cash Balances, December 31 | \$259,032 | \$92,363 | \$71,029 | \$55,993 | \$478,417 |

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 FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

| | Proprietary Fund Type |
|--|----------------------------------|
| | Enterprise |
| Operating Cash Receipts: | |
| Charges for Services | \$66,619 |
| Fine, License and Permits | 5,226 |
| | 71,845 |
| Total Operating Cash Receipts | 71,845 |
| Operating Cash Disbursements: | |
| Personal Services | 14,871 |
| Contractual Services | 6,985 |
| Supplies and Materials | 17,882 |
| | 39,738 |
| Total Operating Cash Disbursements | 39,738 |
| Operating Income | 32,107 |
| Non-Operating Cash Receipts: | |
| Intergovernmental Receipts | 664 |
| Earnings on Investments | 619 |
| | 1,283 |
| Total Non-Operating Cash Receipts | 1,283 |
| Net Receipts Over Disbursements | 33,390 |
| Fund Cash Balances, January 1 | 29,218 |
| Fund Cash Balances, December 31 | \$62,608 |

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, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Luckey, Wood County, (the Village) as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides sewer utilities, park operations, 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 accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 adequately disclose material matters the Auditor of State prescribes.

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:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds 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.

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

**VILLAGE OF LUCKEY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. Debt Service Funds

These funds account for resources the Village accumulates to pay bond and note debt. 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 account for receipts restricted to acquiring or constructing 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 to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Fund:

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

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

**VILLAGE OF LUCKEY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

A summary of 2004 and 2003 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

| | 2004 | 2003 |
|-------------------------|-----------|-----------|
| Demand deposits | \$468,977 | \$441,025 |
| Certificates of deposit | 102,621 | 100,000 |
| Total deposits | \$571,598 | \$541,025 |

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

| 2004 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$212,384 | \$290,341 | \$77,957 |
| Special Revenue | 60,264 | 81,878 | 21,614 |
| Debt Service | 59,000 | 67,683 | 8,683 |
| Capital Projects | 165,000 | 142,596 | (22,404) |
| Enterprise | 54,000 | 72,840 | 18,840 |
| Total | \$550,648 | \$655,338 | \$104,690 |

**VILLAGE OF LUCKEY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
|------------------|----------------------------|---------------------------|------------------|
| General | \$346,139 | \$268,063 | \$78,076 |
| Special Revenue | 95,218 | 63,659 | 31,559 |
| Debt Service | 54,164 | 53,778 | 386 |
| Capital Projects | 215,000 | 151,897 | 63,103 |
| Enterprise | 110,800 | 87,368 | 23,432 |
| Total | <u>\$821,321</u> | <u>\$624,765</u> | <u>\$196,556</u> |

2003 Budgeted vs. Actual Receipts

| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
|------------------|----------------------|--------------------|-------------------|
| General | \$243,717 | \$264,964 | \$21,247 |
| Special Revenue | 67,318 | 74,392 | 7,074 |
| Debt Service | 59,000 | 66,860 | 7,860 |
| Capital Projects | 227,000 | 109,031 | (117,969) |
| Enterprise | 39,000 | 73,128 | 34,128 |
| Total | <u>\$636,035</u> | <u>\$588,375</u> | <u>(\$47,660)</u> |

2003 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
|------------------|----------------------------|---------------------------|------------------|
| General | \$276,695 | \$256,554 | \$20,141 |
| Special Revenue | 91,579 | 66,013 | 25,566 |
| Debt Service | 54,164 | 53,956 | 208 |
| Capital Projects | 260,000 | 119,545 | 140,455 |
| Enterprise | 58,500 | 39,738 | 18,762 |
| Total | <u>\$740,938</u> | <u>\$535,806</u> | <u>\$205,132</u> |

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopts tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The State pays the Village amounts equaling these deductions. The Village includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment is due December 31. The second half payment is due the following June 20.

Property owners assess tangible personal property tax. They must file a list of tangible 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 the Village's behalf.

**VILLAGE OF LUCKEY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

5. LOCAL INCOME TAX

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

6. DEBT

Debt outstanding at December 31, 2004 was as follows:

| | <u>Principal</u> | <u>Interest Rate</u> |
|---------------------------------------|------------------|----------------------|
| Ohio Water Development Authority Loan | \$322,047 | 7.11% |

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 \$26,889, 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 has obtained an Ohio Water Development Pre-Construction Loan in the amount of \$250,000. As of December 31, 2004, the Village has drawn down \$177,898 towards the engineering cost to date. This loan is repayable over a 5 year period of time if the Village does not proceed with the sewer line project, but provided the Village proceeds with the project the amount used will be rolled into the Construction Loan. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Amortization of the above debt, including interest, follows:

| <u>Year ending December 31:</u> | <u>OWDA Loan</u> |
|---------------------------------|------------------|
| 2005 | \$26,905 |
| 2006 | 53,827 |
| 2007 | 53,863 |
| 2008 | 53,901 |
| 2009 | 53,942 |
| Subsequent | 162,421 |
| Total | \$404,859 |

7. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes the plans' retirement benefits, including postretirement healthcare and survivor and disability benefits.

**VILLAGE OF LUCKEY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OP&F participants contributed 10 percent of their wages. The Village contributed an amount equal to 19.5 percent of police participant wages. OPERS members contributed 8.5 percent of their wages. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2004.

8. RISK MANAGEMENT

Risk Pool Membership

The Village belongs to the Ohio Government Risk Management Plan (the Plan), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 500 Ohio governments (Members).

Pursuant to § 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 5 percent portion retained by the Plan. After September 1, 2003, the Plan pays the lesser of 5 percent or \$25,000 of casualty losses and the lesser of 5 percent or \$50,000 of property losses. The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities, and retained earnings at December 31:

| | <u>2004</u> | <u>2003</u> |
|-----------------|---------------------------|---------------------------|
| Assets | \$6,685,522 | \$5,402,167 |
| Liabilities | <u>2,227,808</u> | <u>1,871,123</u> |
| Members' Equity | <u><u>\$4,457,714</u></u> | <u><u>\$3,531,044</u></u> |

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
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 financial statements of the Village of Luckey, Wood County, (the Village) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated September 28, 2005, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Village's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Village's management dated September 28, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial

Village of Luckey
Wood County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the Village's management dated September 28, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and Village Council. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

September 28, 2005



**Auditor of State
Betty Montgomery**

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Facsimile 614-466-4490

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
NOVEMBER 10, 2005**