



Dave Yost • Auditor of State

**VILLAGE OF BURTON
GEAUGA COUNTY
DECEMBER 31, 2016 AND 2015**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2016	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Proprietary and Fiduciary Fund Types – For the Year Ended December 31, 2016	6
Notes to the Financial Statements – For the Year Ended December 31, 2016	7
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2015	15
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Proprietary and Fiduciary Fund Types – For the Year Ended December 31, 2015	16
Notes to the Financial Statements – For the Year Ended December 31, 2015	17
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	27
Schedule of Findings.....	29

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Burton
Geauga County
14588 West Park, P.O. Box 408
Burton, Ohio 44021

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Burton, Geauga County, Ohio (the Village) as of and for the years ended December 31, 2016 and 2015.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2016 and 2015, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Burton, Geauga County, as of December 31, 2016 and 2015, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 12 to the financial statements for the year ended December 31, 2015, during 2015, the Village adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2018, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

January 9, 2018

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Village of Burton

Geauga County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2016*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$72,856	\$136,118	\$0	\$208,974
Municipal Income Tax	609,240	858	0	610,098
Intergovernmental	63,890	108,274	0	172,164
Special Assessments	0	28,679	0	28,679
Charges for Services	20,527	26,694	0	47,221
Fines, Licenses and Permits	14,289	4,697	0	18,986
Earnings on Investments	6,589	2,749	0	9,338
Miscellaneous	15,688	6,160	0	21,848
<i>Total Cash Receipts</i>	<u>803,079</u>	<u>314,229</u>	<u>0</u>	<u>1,117,308</u>
Cash Disbursements				
Current:				
Security of Persons and Property	0	406,979	0	406,979
Public Health Services	0	8,791	0	8,791
Leisure Time Activities	26,190	14,321	0	40,511
Community Environment	13,586	29,705	0	43,291
Transportation	0	217,718	0	217,718
General Government	197,282	3,853	0	201,135
Capital Outlay	0	1,628	25,762	27,390
<i>Total Cash Disbursements</i>	<u>237,058</u>	<u>682,995</u>	<u>25,762</u>	<u>945,815</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>566,021</u>	<u>(368,766)</u>	<u>(25,762)</u>	<u>171,493</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	368,500	5,000	373,500
Transfers Out	(373,500)	0	0	(373,500)
Advances In	30,000	0	30,000	60,000
Advances Out	(30,000)	0	(30,000)	(60,000)
Other Financing Sources	400	3,388	0	3,788
Other Financing Uses	(13,154)	0	0	(13,154)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(386,254)</u>	<u>371,888</u>	<u>5,000</u>	<u>(9,366)</u>
<i>Net Change in Fund Cash Balances</i>	179,767	3,122	(20,762)	162,127
<i>Fund Cash Balances, January 1</i>	<u>623,473</u>	<u>362,064</u>	<u>88,467</u>	<u>1,074,004</u>
Fund Cash Balances, December 31				
Restricted	0	276,381	795	277,176
Committed	0	19,436	0	19,436
Assigned	0	69,369	66,910	136,279
Unassigned (Deficit)	803,240	0	0	803,240
<i>Fund Cash Balances, December 31</i>	<u>\$803,240</u>	<u>\$365,186</u>	<u>\$67,705</u>	<u>\$1,236,131</u>

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

Village of Burton
Geauga County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2016*

	Proprietary Fund Type	Fiduciary Fund Types		Totals
	Enterprise	Agency	Private Purpose Trust	(Memorandum Only)
Operating Cash Receipts				
Charges for Services	\$814,436	\$11,800	\$0	\$826,236
Fines, Licenses and Permits	0	495	0	495
Earnings on Investments (trust funds only)	0	0	86	86
Miscellaneous	7,539	0	45	7,584
<i>Total Operating Cash Receipts</i>	<u>821,975</u>	<u>12,295</u>	<u>131</u>	<u>834,401</u>
Operating Cash Disbursements				
Personal Services	167,045	0	0	167,045
Employee Fringe Benefits	497	0	0	497
Contractual Services	169,231	2,016	0	171,247
Supplies and Materials	18,376	0	0	18,376
Other	6,997	4,967	0	11,964
<i>Total Operating Cash Disbursements</i>	<u>362,146</u>	<u>6,983</u>	<u>0</u>	<u>369,129</u>
<i>Operating Income</i>	<u>459,829</u>	<u>5,312</u>	<u>131</u>	<u>465,272</u>
Non-Operating Receipts (Disbursements)				
Earnings on Investments	12,068	0	0	12,068
Capital Outlay	(110,113)	0	0	(110,113)
Principal Retirement	(66,437)	0	0	(66,437)
Interest and Other Fiscal Charges	(850)	0	0	(850)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(165,332)</u>	<u>0</u>	<u>0</u>	<u>(165,332)</u>
<i>Income before Transfers</i>	294,497	5,312	131	299,940
Transfers In	118,156	0	0	118,156
Transfers Out	(118,156)	0	0	(118,156)
<i>Net Change in Fund Cash Balances</i>	294,497	5,312	131	299,940
<i>Fund Cash Balances, January 1</i>	<u>1,661,061</u>	<u>12,054</u>	<u>21,861</u>	<u>1,694,976</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,955,558</u></u>	<u><u>\$17,366</u></u>	<u><u>\$21,992</u></u>	<u><u>\$1,994,916</u></u>

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

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 - Reporting Entity

The Village of Burton (the Village), Geauga County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park and street operations, and police services. The Village contracts with the Burton Volunteer Fire Department to receive fire protection services. The Village appropriates Fire and Rescue Special Revenue Fund money to support the fire and rescue services.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Operating Fund This fund receives gasoline tax and motor vehicle license tax monies for maintenance and repairs of streets within the Village.

Police Operating Fund This fund receives police levy money for the operation and support of protective services, including vehicles, wages and operating costs.

Fire and Rescue Fund This fund receives fire levy money for the purpose of contracting and supplying fire, EMS and rescue support for the Village.

Street Light Assessment This fund receives special assessments from all property owners to pay for street lights in the Village.

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

Equipment Capitalization Fund This fund received transfers from the General Fund to purchase or acquire new capital equipment (vehicles, tractors and machinery) for the Village.

Facilities Capitalization Fund This fund received advances from the General Fund to construct, maintain and repair streets, parking lots and storm sewers in the Village.

Street Capitalization Fund This fund receives transfers from the General Fund to purchase, maintain and repair buildings and facilities owned and maintained by the Village.

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 Funds:

Water Fund This fund receives charges for services from residents to cover water service costs.

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

Sewer Tap-In Fees Fund This fund receives funds from Sewer tap-in fees and Sewer Fund transfers to cover initial costs of design and improvement of the Village wastewater treatment plant.

Waterworks Distributions Systems Capital Fund This fund receives transfers from the Water Fund to cover maintenance and repairs of the water infrastructure in the Village.

Waterworks Improvement Fund This fund receives transfers from the Water Fund to cover future painting and maintenance or replacement of the Village water tower.

Fiduciary Funds Fiduciary funds include agency funds and private purpose trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for mayor's permits, annexation review and zoning appeals deposits, and related charges.

Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village's private purpose trust fund is for the benefit of cemetery endowment, Ford Memorial and the Village itself.

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund 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 Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

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

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

A summary of 2016 budgetary activity appears in Note 3.

Capital Assets

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

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.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$626,552	\$833,479	\$206,927
Special Revenue	735,112	686,117	(48,995)
Capital Projects	35,000	35,000	0
Enterprise	1,011,611	952,199	(59,412)
Fiduciary	17,342	12,426	(4,916)
Total	\$2,425,617	\$2,519,221	\$93,604

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2016

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$781,192	\$653,712	\$127,480
Special Revenue	851,573	682,995	168,578
Capital Projects	80,000	55,762	24,238
Enterprise	960,860	657,702	303,158
Fiduciary	21,100	6,983	14,117
Total	\$2,694,725	\$2,057,154	\$637,571

Note 4 – Deposits

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

	2016
Demand deposits	\$3,231,047

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Income Taxes

The Village levies a municipal income tax of 1 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.

Note 6 - Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages and the Village contributed to OP&F an amount equal to 19.5% of participants' wages. The Village has paid all contributions required through December 31, 2016.

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Social Security

Some of the Village's employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2016 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	<u>\$197,747</u>	0%

The Ohio Water Development Authority (OWDA) loan relates to improvements to the Village's waste water treatment plant. The OWDA approved \$247,184 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$49,437, over five years. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Leases

The Village has lease-purchase agreements with the Tax-Exempt Leasing Corporation for two police vehicles. The Village disbursed \$67,196 to pay lease costs for the year ended December 31, 2016.

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Amortization

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

Year ending December 31:	OWDA Loan	Leases
2017	\$49,437	\$67,196
2018	49,437	33,598
2019	49,437	0
2020	49,436	0
Total	\$197,747	\$100,794

Debt Service Trust Fund

The Water Plant Expansion trust agreement required the Village to establish a debt service fund to be maintained by a custodian bank. The Village has established this fund. At December 31, 2016, the custodian held \$24,050 in Village assets. The accompanying financial statements do not include these assets or the related receipts and disbursements.

Note 10 – Contingent Liabilities

The Village is defendant in one lawsuit. Although management cannot presently determine the outcome of this suit, management believes that the resolution of this matter will not materially adversely affect the Village's financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 – Related Party Transactions

A Village Council member was an employee of Ronyak Brothers Paving, a company the Village utilized for various construction and maintenance projects during the year. The Village paid \$2,696 for these services.

Village of Burton

Geauga County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2015*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$73,035	\$134,490	\$0	\$207,525
Municipal Income Tax	521,978	0	0	521,978
Intergovernmental	38,780	121,653	0	160,433
Special Assessments	0	28,174	0	28,174
Charges for Services	21,666	29,247	0	50,913
Fines, Licenses and Permits	15,928	2,638	0	18,566
Earnings on Investments	6,474	3,001	0	9,475
Miscellaneous	2,271	1,322	0	3,593
<i>Total Cash Receipts</i>	<u>680,132</u>	<u>320,525</u>	<u>0</u>	<u>1,000,657</u>
Cash Disbursements				
Current:				
Security of Persons and Property	0	410,783	0	410,783
Public Health Services	0	31,353	0	31,353
Leisure Time Activities	17,468	21,980	0	39,448
Community Environment	13,966	30,657	0	44,623
Transportation	0	211,622	0	211,622
General Government	289,288	0	0	289,288
Capital Outlay	0	3,532	87,959	91,491
<i>Total Cash Disbursements</i>	<u>320,722</u>	<u>709,927</u>	<u>87,959</u>	<u>1,118,608</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>359,410</u>	<u>(389,402)</u>	<u>(87,959)</u>	<u>(117,951)</u>
Other Financing Receipts (Disbursements)				
Transfers In	21,761	372,000	40,000	433,761
Transfers Out	(412,000)	0	(21,761)	(433,761)
Advances In	45,061	0	117,820	162,881
Advances Out	(117,820)	0	(45,061)	(162,881)
Other Financing Sources	0	6,101	0	6,101
Other Financing Uses	(951)	(858)	0	(1,809)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(463,949)</u>	<u>377,243</u>	<u>90,998</u>	<u>4,292</u>
<i>Net Change in Fund Cash Balances</i>	<u>(104,539)</u>	<u>(12,159)</u>	<u>3,039</u>	<u>(113,659)</u>
<i>Fund Cash Balances, January 1</i>	<u>728,012</u>	<u>374,223</u>	<u>85,428</u>	<u>1,187,663</u>
Fund Cash Balances, December 31				
Restricted	0	281,493	795	282,288
Committed	0	22,289	0	22,289
Assigned	0	58,282	87,672	145,954
Unassigned	623,473	0	0	623,473
<i>Fund Cash Balances, December 31</i>	<u>\$623,473</u>	<u>\$362,064</u>	<u>\$88,467</u>	<u>\$1,074,004</u>

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

Village of Burton
Geauga County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2015*

	Proprietary Fund Type			Fiduciary Fund Types	Totals
	Enterprise	Agency	Private Purpose Trust	(Memorandum Only)	
Operating Cash Receipts					
Charges for Services	\$759,075	\$10,420	\$0	\$769,495	
Fines, Licenses and Permits	0	480	0	480	
Earnings on Investments (trust funds only)	0	0	86	86	
Miscellaneous	945	0	0	945	
<i>Total Operating Cash Receipts</i>	<u>760,020</u>	<u>10,900</u>	<u>86</u>	<u>771,006</u>	
Operating Cash Disbursements					
Personal Services	185,107	0	0	185,107	
Employee Fringe Benefits	126	0	0	126	
Contractual Services	140,536	3,062	0	143,598	
Supplies and Materials	23,640	0	0	23,640	
Other	7,418	7,822	0	15,240	
<i>Total Operating Cash Disbursements</i>	<u>356,827</u>	<u>10,884</u>	<u>0</u>	<u>367,711</u>	
<i>Operating Income</i>	<u>403,193</u>	<u>16</u>	<u>86</u>	<u>403,295</u>	
Non-Operating Receipts (Disbursements)					
Earnings on Investments	10,247	0	0	10,247	
Capital Outlay	(488,372)	0	0	(488,372)	
Principal Retirement	(16,000)	0	0	(16,000)	
Interest and Other Fiscal Charges	(1,650)	0	0	(1,650)	
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(495,775)</u>	<u>0</u>	<u>0</u>	<u>(495,775)</u>	
<i>Income (Loss) before Transfers</i>	<u>(92,582)</u>	<u>16</u>	<u>86</u>	<u>(92,480)</u>	
Transfers In	71,650	0	0	71,650	
Transfers Out	(71,650)	0	0	(71,650)	
<i>Net Change in Fund Cash Balances</i>	<u>(92,582)</u>	<u>16</u>	<u>86</u>	<u>(92,480)</u>	
<i>Fund Cash Balances, January 1</i>	<u>1,753,643</u>	<u>12,038</u>	<u>21,775</u>	<u>1,787,456</u>	
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,661,061</u></u>	<u><u>\$12,054</u></u>	<u><u>\$21,861</u></u>	<u><u>\$1,694,976</u></u>	

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

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 1 - Reporting Entity

The Village of Burton (the Village), Geauga County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park and street operations, and police services. The Village contracts with the Burton Volunteer Fire Department to receive fire protection services. The Village appropriates Fire and Rescue Special Revenue Fund money to support the fire and rescue services.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Operating Fund This fund receives gasoline tax and motor vehicle license tax monies for maintenance and repairs of streets within the Village.

Police Operating Fund This fund receives police levy money for the operation and support of protective services, including vehicles, wages and operating costs.

Fire and Rescue Fund This fund receives fire levy money for the purpose of contracting and supplying fire, EMS and rescue support for the Village.

Street Light Assessment This fund receives special assessments from all property owners to pay for street lights in the Village.

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project fund:

Street Capitalization Fund This fund receives transfers from the General Fund to construct, maintain and repair streets, parking lots and storm sewers in the Village.

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 Funds:

Water Fund This fund receives charges for services from residents to cover water service costs.

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

Sewer Tap-In Fees Fund This fund receives funds from Sewer tap-in fees and Sewer Fund transfers to cover initial costs of design and improvement of the Village wastewater treatment plant.

Waterworks Improvement Fund This fund receives transfers from the Water Fund to cover future painting and maintenance or replacement of the Village water tower.

Fiduciary Funds Fiduciary funds include agency funds and private purpose trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for mayor's permits, annexation review and zoning appeals deposits, and related charges.

Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village's private purpose trust fund is for the benefit of cemetery endowment, Ford Memorial and the Village itself.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

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 Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

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

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

A summary of 2015 budgetary activity appears in Note 3.

Capital Assets

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

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.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2015 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$626,114	\$746,954	\$120,840
Special Revenue	871,475	698,626	(172,849)
Capital Projects	100,000	157,820	57,820
Enterprise	5,099,893	841,917	(4,257,976)
Fiduciary	17,342	10,986	(6,356)
Total	\$6,714,824	\$2,456,303	(\$4,258,521)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,002,730	\$851,493	\$151,237
Special Revenue	857,051	710,785	146,266
Capital Projects	216,581	154,781	61,800
Enterprise	4,795,506	934,499	3,861,007
Fiduciary	21,100	10,884	10,216
Total	\$6,892,968	\$2,662,442	\$4,230,526

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 4 – Deposits

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

	2015
Demand deposits	<u>\$2,768,980</u>

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

Income Taxes

The Village levies a municipal income tax of 1 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.

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 6 - Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some of the Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

Ohio Police and Fire Pension Fund

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 11.5% and 12.25% of their wages for the first and second half of 2015, respectively. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2015.

Social Security

Some of the Village's employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2015 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Mortgage Revenue Bonds - Sewer	\$17,000	5%
Ohio Water Development Authority Loan	247,184	0%
Total	<u>\$264,184</u>	

The Mortgage Revenue Bonds relate to a sewer plant expansion project in 1976. The Village makes annual payments on the bonds over 40 years.

The Ohio Water Development Authority (OWDA) loan relates to improvements to the Village's waste water treatment plant. The OWDA approved \$247,184 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$49,437, over five years. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Leases

The Village has lease-purchase agreements with the Tax-Exempt Leasing Corporation for two police vehicles. The Village disbursed \$33,598 to pay lease costs for the year ended December 31, 2015.

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Amortization

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

Year ending December 31:	Mortgage	OWDA	Leases
	Revenue Bonds	Loan	
2016	\$17,850	\$49,437	\$67,196
2017	0	49,437	67,196
2018	0	49,437	33,598
2019	0	49,437	0
2020	0	49,436	0
Total	\$17,850	\$247,184	\$167,990

Debt Service Trust Fund

The Water Plant Expansion trust agreement required the Village to establish a debt service fund to be maintained by a custodian bank. The Village has established this fund. At December 31, 2015, the custodian held \$23,967 in Village assets. The accompanying financial statements do not include these assets or the related receipts and disbursements.

Note 10 – Contingent Liabilities

The Village is defendant in one lawsuit. Although management cannot presently determine the outcome of this suit, management believes that the resolution of this matter will not materially adversely affect the Village’s financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 – Related Party Transactions

A Village Council member was an employee of Ronyak Brothers Paving, a company the Village utilized for various construction and maintenance projects during the year. The Village paid \$88,114 for these services.

Village of Burton
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 12 – Change in Accounting Principle

For 2015, the Village has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had no effect on the Village’s fund balances.

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village of Burton
Geauga County
14588 West Park, P.O. Box 408
Burton, Ohio 44021

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Burton, Geauga County, (the Village) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated January 9, 2018, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the Village implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2016-001 and 2016-002 to be material weaknesses.

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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 statement amounts. However, opining on compliance with those provisions was not an objective of our audit 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

January 9, 2018

VILLAGE OF BURTON
GEAUGA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015

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

FINDING NUMBER 2016-001

Financial Reporting – Material Weakness

Sound financial reporting is the responsibility of Village management and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following weaknesses were noted and subsequent adjustments made by the Village to its financial statements and, where applicable, accounting system, for 2016:

- The Village's Street Lighting Assessment Debt Service Fund, with an ending fund cash balance of \$15,270, receipts totaling \$28,813 and disbursements of \$29,705, should have been classified as part of its Special Revenue Fund in its financial statements;
- OWDA loan principal repayments totaling \$49,437 were misposted as capital outlay in the Village's Sewer Tap In Enterprise Fund; and
- Miscellaneous receipts totaling \$45 were not posted to the Village's financial statements in its Cemetery Endowment Private Purpose Trust Fund.

The following weaknesses were noted and subsequent adjustments made by the Village to its financial statements for 2015:

- The Village's Street Lighting Assessment Debt Service Fund, with an ending fund cash balance of \$16,162, receipts totaling \$28,324 and disbursements of \$30,657, should have been classified as part of its Special Revenue Fund;
- Transfers Out totaling \$21,761 were not posted to the Village's financial statements in its Godwin Grant Construction Capital Projects Fund;
- Advances Out totaling \$45,061 were not posted to the Village's financial statements in its Street Capital Capital Projects Fund; and
- Restricted fund balance classifications totaling \$14,099 and \$795 in the Village's Tree Assessment Special Revenue Fund and Bond Construction Capital Projects Fund, respectively, were misclassified as Unassigned fund balances.

The lack of controls over the posting of financial transactions and financial reporting resulted in errors and mispostings that required adjustments to be made by the Village.

We recommend the Village take appropriate measures to help ensure financial reports are in agreement with its accounting system, and balances reflect the actual financial activity of the Village. Accurate financial information is necessary to assure the Village's management has the proper view of the Village's financial activity and can use this information towards making decisions for the Village.

Officials' Response: We did not receive a response from Officials to this finding.

VILLAGE OF BURTON
GEAUGA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
(Continued)

FINDING NUMBER 2016-002

Segregation of Duties – Material Weakness

Segregation of duties in all financial areas is fundamental to maintaining an entity's fiscal integrity.

A lack of segregation of duties was found in the following areas:

- The Deputy Administrative Assistant receives cash, prepares deposits and posts them to the accounting system for the Village's Charges for Services - Water and Sewer receipts;
- The Fiscal Officer receives cash, prepares deposits, takes deposits to the bank, posts to the accounting system, and performs the reconciliation for all other Village receipts;
- The Fiscal Officer modifies and approves changes to employee master files, generates payroll checks and direct deposits, and records payroll in the accounting system; and
- The Fiscal Officer approves and prepares purchase requests/purchase orders and voucher packages as well as manages the master vendor file. Also, the Fiscal Officer approves invoices, mails checks to vendors, and completes wire transfers.

Inadequate segregation of duties or independent checks increases the Village's susceptibility to error, misstatement or misappropriation of funds.

We recommend the Village revise its control mechanisms or add additional compensating controls to increase its segregation of duties in the above areas.

Officials' Response: We did not receive a response from Officials to this finding.



Dave Yost • Auditor of State

VILLAGE OF BURTON

GEAUGA 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
JANUARY 23, 2018