

***VILLAGE OF PLYMOUTH***

**RICHLAND COUNTY, OHIO**

**AUDIT REPORT**

**For the Year Ended December 31, 2004**

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Government Consultants**





**Auditor of State  
Betty Montgomery**

Village Council  
Village of Plymouth  
48 West Broadway  
Plymouth, Ohio 44865

We have reviewed the *Report of Independent Accountants* of the Village of Plymouth, Richland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2004 through December 31, 2004. 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 Plymouth is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

December 22, 2006



VILLAGE OF PLYMOUTH  
RICHLAND COUNTY, OHIO  
Audit Report  
For the year ended December 31, 2004

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1
Management's Discussion and Analysis	3
Statement of Net Assets – Cash Basis	10
Statement of Activities – Cash Basis	11
Statement of Cash Basis Assets and Fund Balances – Governmental Funds	12
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Balances – Governmental Funds	13
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis – General Fund	14
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis – Permissive Sales Tax Fund	15
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis – Fire/Ambulance Equipment Levy Fund	16
Statement of Fund Net Assets – Proprietary Funds	17
Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets - Cash Basis – Proprietary Funds	18
Statement of Fiduciary Net Assets – Cash Basis - Fiduciary Funds	19
Notes to the Financial Statements	20
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Required by <i>Government Auditing Standards</i>	36
Status of Prior Years' Citations and Recommendations	38

*Charles E. Harris & Associates, Inc.*  
*Certified Public Accountants*

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

---

## **REPORT OF INDEPENDENT ACCOUNTANTS**

Village of Plymouth  
Richland County  
48 W. Broadway Avenue  
Plymouth, Ohio 44865

To Village Council:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Plymouth, Richland County, Ohio, (the Village), as of and for the year ended December 31, 2004, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Plymouth, Richland County, Ohio, as of December 31, 2004, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund, the Permissive Sales Tax Fund, and the Fire/Ambulance Equipment Levy Fund, thereof for the year then ended in conformity with accounting basis Note 2 describes.

The management's discussion and analysis on pages 3 to 9 is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally on inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2006 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, 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 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.

***Charles E. Harris & Associates, Inc.***  
September 22, 2006

Village of Plymouth, Richland County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2004  
Unaudited

---

This discussion and analysis of the Village of Plymouth, Richland County's, financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2004, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

### **Highlights**

Key highlights for 2004 are as follows:

- A contract with 7 L Construction for \$41,198 was issued for street paving.
- The Village worked with OPWC to fix a sewer line erosion problem along the Huron River within the Village of Plymouth.
- The Village purchased the old Elementary Building and converted it to the Village offices and Community Center.
- General receipts accounted for \$590,198 in revenue or 83% of all governmental receipts. Program receipts in the form of charges for services and sales, grants and contributions accounted for \$120,308 or 17% of total governmental receipts of \$710,506.
- The Village had \$687,343 in disbursements related to governmental activities; only \$120,308 of these disbursements were offset by program specific receipts. General receipts (primarily municipal taxes) of \$590,198 were adequate to provide for these programs.
- Among major funds, the general fund had \$424,188 in receipts and \$440,439 in disbursements. The general fund balance decreased from \$258,945 to \$207,131. The total disbursements over receipts prior to transfers and debt issuance were \$16,251.
- For business-type activities, program receipts were \$1,445,689 and disbursements were \$1,489,531. The total business-type net assets decreased from \$342,607 to \$329,478. The total disbursements over receipts prior to transfers were \$39,129.

### **Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

#### **Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the Village-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.



Village of Plymouth, Richland County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2004  
Unaudited

---

### **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

### **Reporting the Village as a Whole**

The statement of net assets and the statement of activities reflect how the Village did financially during 2004, within the limitations of the cash basis accounting. The statement of net assets presents the cash balances and investments of the Governmental and Business-type activities of the Village at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, we divide the Village into two types of activities:

Governmental activities - Most of the Village's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activities - The Village has six business-type activities, the provision of water, sewer, electric, garbage, pool and ambulance services. Business-type activities are financed by a fee charged to the customers receiving the service.

### **Reporting the Village's Most Significant Funds**

Fund financial statements provide detailed information about the Village's major funds, not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into three categories: governmental, proprietary and fiduciary.

Village of Plymouth, Richland County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2004  
Unaudited

---

**Governmental Funds** - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village has four major governmental funds they are the General Fund, Permissive Sales Tax, Fire/Ambulance Equipment Levy and Swimming Pool Renovation Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Proprietary Funds** – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has three major enterprise funds, the water, sewer and electric funds.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Village's programs.

**The Village as a Whole**

Below is the cash basis summary of the Village's net assets for 2004. Total net assets for the Village of Plymouth in 2004 was \$976,942. Since this is the first year the Village has prepared financial statements following this presentation, net asset comparisons to prior years are not available.

Total governmental activities and business-type net assets for 2004 are as follows:

**Net Assets  
Table 1**

	Governmental Activities	Business –Type Activities	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$647,464	\$329,478	\$976,942
Total Assets	\$647,464	\$329,478	\$976,942
<b>Net Assets</b>			
Restricted for:			
Permanent Funds	\$47,982	-	\$47,982
Other Purposes	306,489	-	306,489
Unrestricted	292,993	\$329,478	622,471
Total Net Assets	\$647,464	\$329,478	\$976,942

Village of Plymouth, Richland County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2004  
Unaudited

Table 2, reflects the changes in net assets for 2004. Since the Village did not prepare financial statements in this format for 2003, a comparative analysis of government-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

The change in net assets for the year 2004 in governmental activities was an increase of \$23,163. The change in net assets for the year 2004 in business-type activities was a decrease of \$13,129.

**Change in Net Assets**

**Table 2**

	Governmental Activities 2004	Business Type Activities 2004	Total 2004
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$30,495	\$1,445,684	\$1,476,179
Operating Grants and Contributions	89,813	5	89,818
<b>Total Program Receipts</b>	<b>120,308</b>	<b>1,445,689</b>	<b>1,565,997</b>
General Receipts:			
Property and Other Local Taxes	218,263	-	218,263
Income Taxes	130,442	-	130,442
Other Taxes	30,039	-	30,039
Kilowatt Tax	52,872	-	52,872
Grants and Entitlements Not Restricted to Specific Programs	127,505	-	127,505
Proceeds of Loans	24,415	-	24,415
Fines, Licenses and Permits	16,210	-	16,210
Earnings on Investments	5,807	-	5,807
Miscellaneous	10,645	4,713	15,358
Transfers	(26,000)	26,000	-
<b>Total General Receipts</b>	<b>590,198</b>	<b>30,713</b>	<b>620,911</b>
<b>Total Receipts</b>	<b>\$710,506</b>	<b>\$1,476,402</b>	<b>\$2,186,908</b>
Disbursements:			
General Government	\$143,593	-	\$143,593
Security of Persons and Property	332,342	-	332,342
Public Health Services	46,203	-	46,203
Leisure Time Activities	20,160	-	20,160
Transportation	73,132	-	73,132
Capital Outlay	51,403	-	51,403
Principal Retirement	15,705	-	15,705
Interest and Fiscal Charges	4,805	-	4,805
Water	-	\$341,864	341,864
Sewer	-	231,516	231,516
Electric	-	777,705	777,705
Swimming pool	-	24,303	24,303
Garbage	-	67,975	67,975
Ambulance	-	33,323	33,323
Utility Deposit Fund	-	12,845	12,845
<b>Total Disbursements</b>	<b>687,343</b>	<b>1,489,531</b>	<b>2,176,874</b>
<b>Change in Net Assets</b>	<b>23,163</b>	<b>(13,129)</b>	<b>10,034</b>

Village of Plymouth, Richland County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2004  
Unaudited

---

Program receipts represent 16.9% of total receipts for governmental activities and 97.9% of total receipts for business-type activities. Program receipts are comprised of charges for services and operating grants and contributions. As you can see, business-type activities are very dependent on charges for services for receipts. Program receipts for governmental activities were \$120,308 and business-type activities were \$1,445,689.

General receipts represent 83.1% in governmental activities and 2.1% for business-type activities. General receipts are comprised of property tax, other local taxes, municipal income tax, grants and entitlements, interest and other miscellaneous items. It is apparent that governmental activities are mainly dependent on taxes. General receipts for governmental activities were \$590,198 and business-type activities were \$30,713.

### **Governmental Activities**

Net assets of the Village's governmental activities increased by \$23,163. The governmental expenses of \$687,343 were offset by program receipts of \$120,308, general receipts of \$590,198 and the prior year cash balance. Program receipts supported 16.9% of the total governmental activities.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes and unrestricted grants. These three revenue sources represent 67.0% of total governmental receipts.

Only 4.4% of general government disbursements are supported through charges for services revenue. These numbers come from the Statement of Activities on page 11. General government disbursements were \$143,593 and charges for services were \$6,367.

If you look at the Statement of Activities on page 11, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for security of persons and property, and general government, which account for 48.4% and 20.9% respectively. Transportation also represents a slightly significant cost at about 10.6%. The major program disbursements for business-type activities are Water, Sewer and Electric, which account for 23.3%, 16.1%, and 51.4%, respectively.

The next two columns on the Statement of activities are entitled Program receipts which identify money received by people for charges of services and monies the Village received for operating grants and contributions. This money must be used for the cost of items people are directly charged. Grants received by the Village and must provide a specific service and only be used to pay that expense. The net receipts (disbursements) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service, which ends up being paid from money provided by the local Taxpayer. These net costs are paid from the general receipts, which are presented at the bottom of the statement. A comparison between the total cost of services and the net cost of services is presented in table 3.

Village of Plymouth, Richland County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2004  
Unaudited

**Table 3**  
**Total and Cost of Program Services**

	<u>Governmental Activities</u>		<u>Business Type Activities</u>	
	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>
General Government	\$143,593	(\$137,226)	-	-
Security of Persons and Property	332,342	(320,329)	-	-
Public Health Services	46,203	(36,453)	-	-
Leisure Time Activities	20,160	2,045	-	-
Economic Development	-	330	-	-
Transportation	73,132	(3,489)	-	-
Capital Outlay	51,403	(51,403)	-	-
Principal Retirement	15,705	(15,705)	-	-
Interest and Fiscal Charges	4,805	(4,805)	-	-
Water	-	-	\$341,864	(39,423)
Sewer	-	-	231,516	(52,977)
Electric	-	-	777,705	68,034
Swimming pool	-	-	24,303	(17,975)
Garbage	-	-	67,975	(896)
Ambulance	-	-	33,323	(8,570)
Utility Deposit Fund	-	-	12,845	7,965
Total Disbursements	<u>\$687,343</u>	<u>\$(567,035)</u>	<u>\$1,489,531</u>	<u>\$(43,842)</u>

As you can see 96.4% of the cost associated with security of persons and property comes from the general receipts. Only 3.6% is provided for by charges for services and grants. These charges for services are for fire contracts with surrounding townships and court fines from Norwalk Municipal Court and Shelby Municipal Court. It should also be noted that the departments under security of persons and property are the police department and the fire department.

**Business-type Activities**

The water, sewer and electric operation of the Village are the majority of the business-type activities. The infrastructure for the electric and water was recently upgraded in the past 5 years. The Village is beginning to look into the repair of the water tower and conditions at the sewer lagoon.

**The Village's Funds**

Information about the Village's major funds starts on page 12. These funds are accounted for using the cash basis of accounting. Total governmental funds had receipts of \$712,091 and disbursements of \$687,343. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased by \$51,814 as the result of increased costs for salaries and benefits and higher transfers out than in prior years due to various projects.

Village of Plymouth, Richland County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2004  
Unaudited

---

**General Fund Budgeting Highlights**

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds are the General Fund, Permissive Sales Tax Fund and the Fire/Ambulance Equipment Levy Fund.

During 2004, the Village amended its General Fund budget once prior to the issuance of the amended certificate of estimated resources to account for loan proceeds. Final budgeted amounts were equal to the original budgeted amounts. The difference between final budgeted receipts and actual receipts was not significant although actual receipts received were slightly more than anticipated.

Final disbursements for the General fund were budgeted at \$546,680 while actual disbursements were \$455,359, as seen on page 14. The Village kept spending below the budgeted amounts as shown above, but due to minor variances with transfers in, transfers out and the usage of carry over cash balance the fund still saw a decrease in fund balance. The result was a decrease net change in the fund balance of \$66,734 for 2004.

**Capital Assets and Debt Administration**

**Capital Assets**

The Village does not currently keep track of its capital assets and infrastructure. The Village has acquired a software package to accomplish this task and is in the process of entering the necessary information. It is anticipated that this program will be fully functional for 2007.

**Debt**

At December 31, 2004, the Village's outstanding debt included \$829,000 in revenue bonds issued for improvements to sewer lines in 1973 and electrical upgrades in 2002. Other debt of \$161,310 is for loans for facilities and equipment. For further information regarding the Village's debt, refer to Note 6 to the basic financial statements.

**Current Issues**

The challenge for all Villages is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and intergovernmental revenue to provide safe and secure neighborhoods through our police department and qualified volunteer fireman and EMT's.

**Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to DiAnn Jamerson, Fiscal Officer, Village of Plymouth, 48 West Broadway, Plymouth, Ohio 44865.

**Village of Plymouth, Richland County**

*Statement of Net Assets - Cash Basis*

*December 31, 2004*

---

---

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	<u>\$647,464</u>	<u>\$329,478</u>	<u>\$976,942</u>
<i>Total Assets</i>	<u><u>\$647,464</u></u>	<u><u>\$329,478</u></u>	<u><u>\$976,942</u></u>
<b>Net Assets</b>			
Restricted for:			
Permanent Funds:			
Expendable	\$1,482	-	\$1,482
Non-Expendable	46,500	-	46,500
Other Purposes	306,489	-	306,489
Unrestricted	<u>292,993</u>	<u>\$329,478</u>	<u>622,471</u>
<i>Total Net Assets</i>	<u><u>\$647,464</u></u>	<u><u>\$329,478</u></u>	<u><u>\$976,942</u></u>

See accompanying notes to the basic financial statements

**Village of Plymouth, Richland County**  
*Statement of Activities - Cash Basis*  
For the Year Ended December 31, 2004

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>						
General Government	\$143,593	\$6,367	-	(\$137,226)	-	(\$137,226)
Security of Persons and Property	332,342	11,843	\$170	(320,329)	-	(320,329)
Public Health Services	46,203	9,750	-	(36,453)	-	(36,453)
Leisure Time Activities	20,160	2,205	20,000	2,045	-	2,045
Community Environment	-	330	-	330	-	330
Transportation	73,132	-	69,643	(3,489)	-	(3,489)
Capital Outlay	51,403	-	-	(51,403)	-	(51,403)
Debt Service:						
Principal Retirement	15,705	-	-	(15,705)	-	(15,705)
Interest and Fiscal Charges	4,805	-	-	(4,805)	-	(4,805)
<i>Total Governmental Activities</i>	687,343	30,495	89,813	(567,035)	-	(567,035)
<b>Business Type Activities</b>						
Water Operating	341,864	302,441	-	-	(39,423)	(39,423)
Sewer Operating	231,516	178,539	-	-	(52,977)	(52,977)
Electric Operating	777,705	845,739	-	-	68,034	68,034
Swimming Pool	24,303	6,328	-	-	(17,975)	(17,975)
Garbage Operating	67,975	67,079	-	-	(896)	(896)
Ambulance Operating	33,323	24,748	5	-	(8,570)	(8,570)
Utilities Deposit Fund	12,845	20,810	-	-	7,965	7,965
<i>Total Business Type Activities</i>	1,489,531	1,445,684	5	-	(43,842)	(43,842)
<b>Total Primary Government</b>	<b>\$2,176,874</b>	<b>\$1,476,179</b>	<b>\$89,818</b>	<b>(567,035)</b>	<b>(43,842)</b>	<b>(610,877)</b>
<b>General Receipts</b>						
Property Taxes Levied for:						
General Purposes				98,773	-	98,773
Special Purposes				119,490	-	119,490
Municipal Income Taxes				130,442	-	130,442
Other Taxes				30,039	-	30,039
Kilowatt Tax				52,872	-	52,872
Grants and Entitlements not Restricted						
to Specific Programs				127,505	-	127,505
Proceeds of Loans				24,415	-	24,415
Fines, Licenses and Permits				16,210	-	16,210
Interest				5,807	-	5,807
Miscellaneous				10,645	4,713	15,358
Transfers				(26,000)	26,000	-
<i>Total General Receipts</i>				590,198	30,713	620,911
Change in Net Assets				23,163	(13,129)	10,034
<i>Net Assets Beginning of Year</i>				624,301	342,607	966,908
<i>Net Assets End of Year</i>				\$647,464	\$329,478	\$976,942

See accompanying notes to the basic financial statements



**Village of Plymouth, Richland County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2004*

	General	Permissive Sales Tax Fund	Fire/Ambulance Equipment Levy	Swimming Pool Renovation	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$207,131	\$80,341	\$102,645	\$83,978	\$173,369	\$647,464
<i>Total Assets</i>	<u>\$207,131</u>	<u>\$80,341</u>	<u>\$102,645</u>	<u>\$83,978</u>	<u>\$173,369</u>	<u>\$647,464</u>
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances	\$14,921	-	-	-	\$843	\$15,764
Unreserved:						
Undesignated (deficit), reported in:						
General Fund	192,210	-	-	-	-	\$192,210
Special Revenue Funds	-	\$80,341	\$102,645	-	122,660	\$305,646
Capital Project Funds	-	-	-	\$83,978	1,884	\$85,862
Permanent Funds	-	-	-	-	47,982	\$47,982
Total Fund Balances	<u>\$207,131</u>	<u>\$80,341</u>	<u>\$102,645</u>	<u>\$83,978</u>	<u>\$173,369</u>	<u>\$647,464</u>

See accompanying notes to the basic financial statements

**Village of Plymouth, Richland County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2004*

	General	Permissive Sales Tax	Fire/Ambul. Equip. Levy Fund	Swimming Pool Renovation	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Municipal Income Taxes	\$130,442	-	-	-	-	\$130,442
Property and Other Local Taxes	98,773	\$30,039	\$54,246	-	\$65,244	248,302
Charges for Services	-	-	-	-	30,665	30,665
Fines, Licenses and Permits	16,210	-	-	-	-	16,210
Intergovernmental	110,927	-	8,326	-	77,895	197,148
Kilowatt Tax	52,872	-	-	-	-	52,872
Interest	4,608	-	331	-	868	5,807
Donations	-	-	-	\$20,000	-	20,000
Miscellaneous	10,356	-	-	-	289	10,645
<i>Total Receipts</i>	<u>424,188</u>	<u>30,039</u>	<u>62,903</u>	<u>20,000</u>	<u>174,961</u>	<u>712,091</u>
<b>Disbursements</b>						
Current:						
General Government	131,457	-	1,236	-	10,900	143,593
Security of Persons and Property	287,450	-	-	-	44,892	332,342
Public Health Services	1,022	-	-	-	45,181	46,203
Leisure Time Activities	-	-	-	-	20,160	20,160
Transportation	-	17,991	-	-	55,141	73,132
Capital Outlay	-	-	51,403	-	-	51,403
Debt Service:						
Principal Retirement	15,705	-	-	-	-	15,705
Interest and Fiscal Charges	4,805	-	-	-	-	4,805
<i>Total Disbursements</i>	<u>440,439</u>	<u>17,991</u>	<u>52,639</u>	<u>0</u>	<u>176,274</u>	<u>687,343</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(16,251)</u>	<u>12,048</u>	<u>10,264</u>	<u>20,000</u>	<u>(1,313)</u>	<u>24,748</u>
<b>Other Financing Sources (Uses)</b>						
Proceeds of Loans	24,415	-	-	-	-	24,415
Transfers In	-	-	-	13,978	20,408	34,386
Transfers Out	(59,978)	-	-	-	(408)	(60,386)
<i>Total Other Financing Sources (Uses)</i>	<u>(35,563)</u>	<u>0</u>	<u>0</u>	<u>13,978</u>	<u>20,000</u>	<u>(1,585)</u>
<i>Net Change in Fund Balances</i>	<u>(51,814)</u>	<u>12,048</u>	<u>10,264</u>	<u>33,978</u>	<u>18,687</u>	<u>23,163</u>
<i>Fund Balances Beginning of Year</i>	<u>258,945</u>	<u>68,293</u>	<u>92,381</u>	<u>50,000</u>	<u>154,682</u>	<u>624,301</u>
<i>Fund Balances End of Year</i>	<u>\$207,131</u>	<u>\$80,341</u>	<u>\$102,645</u>	<u>\$83,978</u>	<u>\$173,369</u>	<u>\$647,464</u>

See accompanying notes to the basic financial statements

**Village of Plymouth, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Municipal Income Taxes	\$115,000	\$115,000	\$130,442	\$15,442
Property and Other Local Taxes	94,000	94,000	98,773	4,773
Fines, Licenses and Permits	13,500	13,500	16,210	2,710
Intergovernmental	103,900	103,900	110,927	7,027
Kilowatt Tax	53,000	53,000	52,872	(128)
Interest	3,000	3,000	4,608	1,608
Miscellaneous	13,200	13,200	10,356	(2,844)
<i>Total receipts</i>	<u>395,600</u>	<u>395,600</u>	<u>424,188</u>	<u>28,588</u>
<b>Disbursements</b>				
Current:				
General Government	160,157	159,723	137,340	22,383
Security of Persons and Property	263,866	316,229	296,487	19,742
Public Health Services	2,000	1,022	1,022	0
Debt Service:				
Principal Retirement	90,806	64,806	15,705	49,101
Interest and Fiscal Charges	4,900	4,900	4,805	95
<i>Total Disbursements</i>	<u>521,729</u>	<u>546,680</u>	<u>455,359</u>	<u>91,321</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(126,129)</u>	<u>(151,080)</u>	<u>(31,171)</u>	<u>119,909</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Loans	0	24,415	24,415	0
Transfers In	40,000	40,000	0	(40,000)
Transfers Out	(140,000)	(131,000)	(59,978)	71,022
Other Financing Uses	(10,000)	(5,000)	0	5,000
<i>Total Other Financing Sources (Uses)</i>	<u>(110,000)</u>	<u>(71,585)</u>	<u>(35,563)</u>	<u>36,022</u>
<i>Net Change in Fund Balance</i>	<u>(236,129)</u>	<u>(222,665)</u>	<u>(66,734)</u>	<u>155,931</u>
<i>Fund Balance Beginning of Year</i>	248,906	248,906	248,906	-
Prior Year Encumbrances Appropriated	<u>10,038</u>	<u>10,038</u>	<u>10,038</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$22,815</u>	<u>\$36,279</u>	<u>\$192,210</u>	<u>\$155,931</u>

See accompanying notes to the basic financial statements

**Village of Plymouth, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Permissive Sales Tax Fund*  
*For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$21,000	\$21,000	\$30,039	\$9,039
<i>Total receipts</i>	<u>21,000</u>	<u>21,000</u>	<u>30,039</u>	<u>9,039</u>
<b>Disbursements</b>				
Current:				
Transportation	85,000	85,000	17,991	67,009
<i>Total Disbursements</i>	<u>85,000</u>	<u>85,000</u>	<u>17,991</u>	<u>67,009</u>
<i>Net Change in Fund Balance</i>	(64,000)	(64,000)	12,048	76,048
<i>Fund Balance Beginning of Year</i>	<u>68,293</u>	<u>68,293</u>	<u>68,293</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,293</u>	<u>\$4,293</u>	<u>\$80,341</u>	<u>\$76,048</u>

See accompanying notes to the basic financial statements

**Village of Plymouth, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Fire/Ambulance Equipment Levy Fund*  
*For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$53,500	\$53,500	\$54,246	\$746
Intergovernmental	3,500	3,500	8,326	4,826
Interest	250	250	331	81
<i>Total receipts</i>	<u>57,250</u>	<u>57,250</u>	<u>62,903</u>	<u>5,653</u>
<b>Disbursements</b>				
Current:				
General Government	1,500	1,500	1,236	264
Capital Outlay	128,500	145,885	51,403	94,482
<i>Total Disbursements</i>	<u>130,000</u>	<u>147,385</u>	<u>52,639</u>	<u>94,746</u>
<i>Net Change in Fund Balance</i>	(72,750)	(90,135)	10,264	100,399
<i>Fund Balance Beginning of Year</i>	74,996	74,996	74,996	0
Prior Year Encumbrances Appropriated	<u>17,385</u>	<u>17,385</u>	<u>17,385</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$19,631</u>	<u>\$2,246</u>	<u>\$102,645</u>	<u>\$100,399</u>

See accompanying notes to the basic financial statements

**Village of Plymouth, Richland County**

*Statement of Fund Net Assets - Cash Basis*

*Proprietary Funds*

*December 31, 2004*

---

---

	Business-Type Activities				
	Water	Sewer	Electric	Non-Major	Total
	Operating Fund	Operating Fund	Operating Fund	Enterprise Funds	Enterprise Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$15,835	\$86,157	\$149,431	\$78,055	\$329,478
<i>Total Assets</i>	<u>\$15,835</u>	<u>\$86,157</u>	<u>\$149,431</u>	<u>\$78,055</u>	<u>\$329,478</u>
<b>Net Assets</b>					
Unrestricted	<u>\$15,835</u>	<u>\$86,157</u>	<u>\$149,431</u>	<u>\$78,055</u>	<u>\$329,478</u>

See accompanying notes to the basic financial statements

**Village of Plymouth, Richland County**  
*Statement of Cash Receipts, Disbursements and  
Changes in Fund Net Assets - Cash Basis  
Proprietary Funds  
For the Year Ended December 31, 2004*

	Business-Type Activities				Total Enterprise Funds
	Water Operating Fund	Sewer Operating Fund	Electric Operating Fund	Other Enterprise Funds	
<b>Operating Receipts</b>					
Charges for Services	\$302,441	\$178,538	\$845,739	\$118,971	\$1,445,689
<i>Total Operating Receipts</i>	<u>302,441</u>	<u>178,538</u>	<u>845,739</u>	<u>118,971</u>	<u>1,445,689</u>
<b>Operating Disbursements</b>					
Personal Services	65,214	63,911	118,007	26,613	273,745
Fringe Benefits	13,486	12,595	58,883	7,357	92,321
Contractual Services	215,795	21,465	509,646	79,422	826,328
Materials and Supplies	17,505	11,022	21,902	12,211	62,640
Other	-	-	3,892	12,845	16,737
<i>Total Operating Disbursements</i>	<u>312,000</u>	<u>108,993</u>	<u>712,330</u>	<u>138,448</u>	<u>1,271,771</u>
<i>Operating Income (Loss)</i>	(9,559)	69,545	133,409	(19,477)	173,918
<b>Non-Operating Receipts</b>					
Capital Outlay	(20,171)	(62,678)	(17,110)	-	(99,959)
Principal Retirement	(7,910)	(36,910)	(35,000)	-	(79,820)
Interest and Fiscal Charges	(1,783)	(22,933)	(13,265)	-	(37,981)
Miscellaneous receipts	501	501	3,681	30	4,713
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(29,363)</u>	<u>(122,020)</u>	<u>(61,694)</u>	<u>30</u>	<u>(213,047)</u>
<i>Income (Loss) before Transfers</i>	(38,922)	(52,475)	71,715	(19,447)	(39,129)
Transfers In	-	-	-	26,000	26,000
<i>Change in Net Assets</i>	(38,922)	(52,475)	71,715	6,553	(13,129)
<i>Net Assets Beginning of Year</i>	<u>54,757</u>	<u>138,632</u>	<u>77,716</u>	<u>71,502</u>	<u>342,607</u>
<i>Net Assets End of Year</i>	<u>\$15,835</u>	<u>\$86,157</u>	<u>\$149,431</u>	<u>\$78,055</u>	<u>\$329,478</u>

See accompanying notes to the basic financial statements

**Village of Plymouth, Richland County**  
*Statement of Fiduciary Net Assets - Cash Basis*  
*Fiduciary Funds*  
*December 31, 2004*

---

---

	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$836</u>
<i>Total Assets</i>	<u><u>\$836</u></u>
<b>Net Assets</b>	
Unrestricted	<u><u>\$836</u></u>

See accompanying notes to the basic financial statements



Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 1 – Reporting Entity**

The Village of Plymouth, Richland County, Ohio, 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. The Village is directed by a six-member Council elected at large for four year terms. The first meeting of the year, members are given the opportunity to nominate fellow member to serve as President Pro-Tem of Council for the term of one year. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

**A. Primary Government**

The primary government consists of all funds, departments, and boards that are not legally separate from the Village. The Village provides general government services, garbage, water, sewer and electric utilities, maintenance of Village roads and bridges, park operations, cemetery operations, pool operations, fire and ambulance services and police services.

**B. Component Units**

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Village is obligated for the debt of the organization. The Village is also financially accountable for any organizations that are fiscally dependent on the Village in that the Village approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in amount to the Village. The Village does not have any component units.

**C. Joint Ventures**

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Village does not report assets for equity interests in joint ventures. The Village participates in a joint venture described in Note 14.

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

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 2 – Summary of Significant Accounting Policies (continued)**

**A. Basis of Presentation**

The Village's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information. 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 a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when encumbrance is approved.)

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

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net assets presents the cash balances of the governmental and business-type activities of the Village at year-end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

**Fund Financial Statements**

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from non-operating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as non-operating.

Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 2 – Summary of Significant Accounting Policies (continued)**

**B. Fund Accounting**

The Village uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into three categories, governmental, proprietary and fiduciary.

Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Village has 4 major governmental funds, the General Fund, Permissive Sales Tax, Fire/Ambulance Equipment Levy Fund, and Swimming Pool Renovation fund.

General Fund - The General Fund is used to account for all financial resources, except those required to be accounted for 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.

Permissive Sales Tax Fund – The Special Revenue - Permissive Sales Tax fund is used to account for any street/road/state highway maintenance, equipment maintenance/or purchases for all roads ways. The resources received from Richland/Huron Counties and the State of Ohio are restricted for any Village roadways.

Fire/Ambulance Equipment Levy- The Special Revenue - Fire/Ambulance Equipment Levy is used for the maintenance and purchase of fire and ambulance equipment.

Swimming Pool Renovation Fund - The Capital Projects - Swimming Pool Renovation fund is used for the improvement of the Village swimming pool. The revenue received is from transfers from the general fund and grants. The funds are restricted to the swimming pool.

The other governmental funds of the Village account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service. The Village has 3 Major Proprietary funds. They are the Water, Sewer and Electric Fund. The Village has no Internal Service Funds.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Village's major enterprise funds are the water, sewer and electric funds.

Water Fund - The water fund accounts for the provision of water to the residents and commercial users located within the Village.

Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 2 – Summary of Significant Accounting Policies (continued)**

**B. Fund Accounting (continued)**

Sewer Fund - The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Electric Fund - The electric fund accounts for the provision of electric services to the residents and commercial users within the Village.

Fiduciary Funds (Agency Funds)

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to 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 nonexpendable trust funds were reclassified to permanent funds. The Cemetery and Park permanent funds account for principal from bequests in which the interest earned from is to be transferred to the Cemetery or Park fund for the specified purpose. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village's agency fund accounts for unclaimed funds by businesses or individuals who have not cashed a Village check. These checks were for a payment of products or services, payroll, or a refund of a utility deposit refund.

The Village combined the Income Tax – Agency Fund with the General Fund. The following represents the changes in the fund balance January 1, 2004.

	Balance <u>12/31/2003</u>	<u>Restatement</u>	Balance <u>1/1/2004</u>
General Fund	\$176,516	\$82,429	\$258,945
Income Tax Fund - Agency Fund	\$83,265	(\$82,429)	\$836
Fiduciary Funds – Non Expendable Trust	\$47,779	(\$47,779)	\$0
Permanent Funds	-	\$47,779	\$47,779

**C. Basis of Accounting**

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Village does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Village's accounting policies.

Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 2 – Summary of Significant Accounting Policies (continued)**

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriation ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund and department level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriation ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

**E. Cash and Investments**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

**F. Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Village did not have any restricted assets.

**G. Inventory and Prepaid Items**

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**Note 2 – Summary of Significant Accounting Policies (continued)**

**H. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**I. Interfund Receivables/Payables**

The Village reports advances-in and advances-out for inter-fund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**J. Accumulated Leave**

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

**K. Employer Contributions to Cost-Sharing Pension Plans**

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**L. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

The statement of activities, demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program receipts. Direct expenses are those that are clearly identifiable with a specific function or segment. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported as general receipts.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the financial statements.

**M. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 2 – Summary of Significant Accounting Policies (continued)**

**N. Long-Term Obligations**

The Village's cash basis financial statements report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid. See note 6.

**Note 3 – Change in Financial Statement Presentation**

Last year, the Village reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Village has implemented the cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with non-major funds aggregated and presented in a single column, rather than a column for each fund type. The Village also implemented the required disclosures for Governmental Accounting Standards Board Statement Number 40, "*Deposit and Investment Risk Disclosures.*"

**Note 4 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Permissive Sales Tax Fund, and Fire/Ambulance Equipment Levy Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances for the General Fund were \$14,921. The Permissive Sales Tax fund and Fire/Ambulance Levy fund had no year-end encumbrances.

**Note 5 – Deposit and Investments**

State statutes classify monies held by the Village into three categories.

Active deposits are public deposits necessary to meet current demands on the Village treasury. Such monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Village has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 5 – Deposit and Investments (continued)**

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial credit risk for deposits is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2004, \$673,516 of the Village's bank balance of \$773,516, which includes \$76,237 of non-negotiable certificates of deposit, was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.



Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 5 – Deposit and Investments (continued)**

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

As of December 31, 2004, the Village had \$296,126 invested in STAR Ohio.

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village's investment policy addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

**Note 6 – Debt**

Debt activity for December 31, 2004 was as follows:

Description	Balance 12/31/2003	Issued	Retired	Balance 12/31/2004	Due Within One Year
<b>Enterprise:</b>					
Electrical Upgrade AMP Ohio	\$470,000	\$0	(\$35,000)	\$435,000	\$40,000
Equipment Purchase- Baystone	85,947	0	(15,820)	70,127	15,108
GMAC-Sewer Imp. #010492101	211,500	0	(14,500)	197,000	15,000
GMAC-Sewer Imp. #010492103	211,500	0	(14,500)	197,000	15,000
<b>Total Debt-Enterprise</b>	<b>978,947</b>	<b>0</b>	<b>(79,820)</b>	<b>899,127</b>	<b>85,108</b>
<b>General:</b>					
Police Cruiser 1	7,473	0	(7,473)	0	0
Police Cruiser 2	0	24,415	(8,232)	16,183	7,952
Building Purchase	75,000	0	0	75,000	0
<b>Total Debt-General</b>	<b>82,473</b>	<b>24,415</b>	<b>(15,705)</b>	<b>91,183</b>	<b>7,952</b>
<b>Total Debt</b>	<b>\$1,061,420</b>	<b>\$24,415</b>	<b>(\$95,525)</b>	<b>\$990,310</b>	<b>\$93,060</b>

The beginning balance does not equal the prior audit report due to the police cruiser loan 1 that was not listed in the prior audit.

Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 6 – Debt (continued)**

Principal and interest requirements to retire long-term debt outstanding December 31, 2004 are as follows:

Year	Amount	
	Principal	Interest
2005	\$101,834	\$42,786
2006	151,699	39,648
2007	111,626	46,835
2008	109,184	42,055
2009	89,349	37,062
2010-2014	391,452	155,588
2015-2019	16,746	25,696
2020-2024	16,746	0
2025	1,674	0
	\$990,310	\$389,670

**Note 7 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2004 represent the collection of 2003 taxes. Real property taxes received in 2004 were levied after October 1, 2003, on the assessed values as of January 1, 2003, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2004 represent the collection of 2003 taxes. Public utility real and tangible personal property taxes received in 2004 became a lien on December 31, 2003, were levied after October 1, 2003, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2004 (other than public utility property) represent the collection of 2003 taxes. Tangible personal property taxes received in 2004 were levied after October 1, 2003, on the true value as of December 31, 2003. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Village operations for the year ended December 31, 2004, was \$ 19.50 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2004 property tax receipts were based are as follows:

Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 7 – Property Taxes (continued)**

	<u>2004</u>
Real Property	
Residential/Agricultural	\$ 13,903,680
Other	2,248,420
Tangible Personal Property	
General	347,080
Public Utilities	<u>270,490</u>
Total Valuation	<u><u>\$ 16,769,670</u></u>

**Note 8 – Local Income Tax**

This locally levied tax of .5% is applied to gross salaries, wages and other personal services compensation earned by residents both in and out of the Village and to earnings of nonresidents (except certain transients) earned in the Village. It also applies to net income of business organizations conducted within the Village. Tax receipts are credited to the General Fund. The amount collected for 2004 was \$130,442.

**Note 9 – Defined Benefit Pension Plans**

**A. Ohio Public Employees Retirement System**

The Village participates in the Ohio Public Employees Retirement System (OPERS). Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan —a cost sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed Plan —a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan —a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-6701 or 800-222-7377.

Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 9 – Defined Benefit Pension Plans (continued)**

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2004, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan.

The 2004 member contribution rates were 8.5% for members in classifications other than law enforcement and public safety. Members in the law enforcement classification, which consists generally of sheriffs, deputy sheriffs and township police, contributed at a rate of 10.1%. Public safety division members contributed at 9%. The 2004 employer contribution rate for state employers was 13.31% of covered payroll. For local government employer units, the rate was 13.55% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2004 was 16.7%.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$54,113, \$46,449, \$39,377, respectively. The full amount has been contributed for all three years.

**B. Ohio Police and Fire Pension Fund**

The Village contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10% of their annual covered salary to fund pension obligations while the Village is required to contribute 19.5% for police officers. The Village has no full-time firefighters. Contributions are authorized by State statute. The Village of Plymouth's required contributions to the Ohio Police and Fire Pension Fund for the years ended December 31, 2004, 2003, and 2002 were \$23,842, \$21,963, and \$18,896. The full amount has been contributed for all three years.

**Note 10 – Post-employment Benefits**

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 10 – Post-employment Benefits (continued)**

In order to qualify for postretirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered to be an Other Post-employment Benefit (OPEB) as described in GASB Statement 12.

A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety with separate employee contribution rates and benefits. The 2004 employer contribution rate for state employers was 13.31% of covered payroll, of which 4.00% was used to fund health care for the year. For local government employer units, the rate was 13.55% of covered payroll, and 4.00% was used to fund health care for the year. For both the public safety and law enforcement divisions, the 2004 employer rate was 16.70%, and 4.00% was used to fund health care.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

Summary of Assumptions:

**Actuarial Review**—The assumptions and calculations below were based on OPERS' latest actuarial review performed as of December 31, 2003.

**Funding Method**—An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

**Assets Valuation Method**—All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

**Investment Return**—The investment assumption rate for 2003 was 8.00%.

**Active Employee Total Payroll**—An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

**Health Care**—Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

OPEBs are advance-funded on an actuarially determined basis. The following disclosures are required:

At December 31, 2003, the number of active contributing participants in the Traditional Pension and Combined Plans totaled 369,885. The rates stated above are the actuarially determined contribution requirements for OPERS. The portion of the employer contributions that were used to fund post-employment benefits was \$15,974.

Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 10 – Post-employment Benefits (continued)**

The amount of \$10.5 billion represents the actuarial value of OPERS' net assets available for OPEBs at December 31, 2003. The actuarially accrued liability and the unfunded actuarially accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively.

OPERS Retirement Board adopts a Health Care Preservation Plan. On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

The Ohio Police and Fire Pension Fund (OP&F) provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22, if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll. The Ohio Revised Code provides the statutory authority allowing OP&F's Board of Trustees to offer health care coverage to all eligible individuals.

Health care funding and accounting is on a pay-as-you go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75% of covered payroll in 2004. In addition, since July 1, 1992, most retirees and survivors were required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits as of December 31, 2003, the date of the last actuarial valuation available, are 13,662 for Police and 10,474 for Firefighters. The portion of your employer contributions that were used to pay post-employment benefits was \$9,465.

OP&F's total health care expense for the year ending December 31, 2003, the date of the last actuarial valuation available, was \$150,853,148, which was net of member contributions of \$17,207,506.

Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 11 – Risk Management**

The Village of Plymouth has obtained commercial insurance for the following risks:

- 1) Comprehensive property and general liability
- 2) Public officials liability
- 3) Law enforcement liability
- 4) Vehicles

All employees of the Village are covered by a blanket bond, while certain individuals in policy making roles are covered by separate, higher limit bond coverage.

The Village pays the state Workers' Compensation System a premium based on a rate of \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. Also, the Village did not reduce its insurance coverage significantly during the past year.

**Note 12– Interfund Transfers**

During 2004, the following transfers were made:

Transfers from the General Fund to:	
Major Governmental Fund	\$13,978
Other Governmental Funds	20,000
Other Enterprise Funds	26,000
Total Transfers from the General Fund	<u>\$59,978</u>
Transfers from Permanent Funds to:	
Other Governmental Funds	<u>\$408</u>
Total Transfers from Permanent Funds	<u>\$408</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. During 2004, a transfer was made to the Cemetery fund for the purpose of general operations. Also, a transfer was made to the pool renovation fund. The General Fund supplements the pool fund every year. The Village transfers the interest from the Cemetery and Park Permanent Funds to Cemetery and Park operating Fund. The amount transferred is the interest earned on the trust.

**Note 13 – Contingent Liabilities**

The Village may be a defendant in several lawsuits. Although the Village cannot presently determine the outcome of these suits, they believe, in the opinion of the Village Solicitor, the resolution of these matters will not materially adversely affect the Village's financial condition.

Village of Plymouth, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

---

**Note 13 – Contingent Liabilities (continued)**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the state of Ohio. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects to be immaterial. Grantors 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 14 – Joint Venture**

The Village participates in a joint venture with The Municipal Energy Services Agency. The agency was formed in 1996 to provide existing member communities with a new source of technical assistance, such as planning, design and engineering, field services and training assistance. Unlike previous joint ventures, participants do not own physical assets and provides no financing for the enterprise. There are no fees other than for services provided through contracts with the joint venture. There are 47 participants including the Village of Plymouth.

**Note 15 – Subsequent Event**

The Village refunded AMP Ohio bonds and GMAC debt after year-end for various interest rates and maturity dates for a lower interest rate.



*Charles E. Harris & Associates, Inc.*  
*Certified Public Accountants*

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland, OH 44113-1306  
Office phone - (216) 575-1630  
Fax (216) 436-2411

---

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Plymouth  
Richland County  
48 West Broadway  
Plymouth, Ohio 44865

To Village Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Plymouth, Richland County, Ohio (the Village), as of and for the year ended December 31, 2004, which collectively comprise the Village's basic financial statements and have issued our report thereon dated September 22, 2006, wherein we noted that the Village uses a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Controls 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 an opinion on the internal control over financial reporting. Our consideration of 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 internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management on the Village in a separate letter dated September 22, 2006.

**Compliance and Other Matters**

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, grant agreements and other matters, 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 *Government Auditing Standards*.

However, we noted other matters involving compliance that we have reported to management of the Village in a separate letter dated September 22, 2006.

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

***Charles E. Harris and Associates, Inc.***  
September 22, 2006

## **STATUS OF PRIOR YEAR'S CITATIONS AND RECOMMENDATIONS**

The prior audit report, for the two years ending December 31, 2003, reported no material citations or recommendations.





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**VILLAGE OF PLYMOUTH**

**RICHLAND 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 4, 2007**