

VILLAGE OF BARNHILL
FINANCIAL STATEMENTS
Years Ended December 31, 1999 and 1998

Laura J. MacDonald, CPA, Inc.
3613 Reserve Commons Drive
Medina, Ohio 44256



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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To the Village Council
Village of Barnhill
P.O. Box 558
Midvale, Oh 44653

We have reviewed the Independent Auditor's Report of the Village of Barnhill, Tuscarawas County, prepared by Laura J. MacDonald, CPA, Inc., for the audit period January 1, 1998 to December 31, 1999. 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 Barnhill is responsible for compliance with these laws and regulations.

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

JIM PETRO
Auditor of State

August 15, 2000

**VILLAGE OF BARNHILL
FINANCIAL STATEMENTS
Years Ended December 31, 1999 and 1998**

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VILLAGE OF BARNHILL
TUSCARAWAS COUNTY

P.O. BOX 558
MIDVALE, OHIO 44653

ELECTED/APPOINTED OFFICIALS AS OF
DECEMBER 31, 1999

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
Ricky Howell	Mayor	12/31/99 - 12/31/03	(A)	\$ 5,000	Term
Mike Milligan	Council President	01/01/96 - 12/31/01			
Laura Russell	Council Member	01/01/94 - 12/31/01			
Lola Shear	Council Member	10/09/99 - 12/31/03			
Mike Ohler	Council Member	10/09/99 - 12/31/03			
Vickie Griffith	Council Member	04/11/98 - 12/31/01			
Lewis Hunter	Council Member	12/31/99 - 12/31/03			
Donna Rainsberg	Clerk/Treasurer	05/11/96 - 03/31/04	(A)	\$35,000	Term

(A) The Ohio Farmers Insurance Company

LEGAL COUNSEL

Jay M. Gossett
408 Grant Street
Dennison, Ohio 44621

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3613 RESERVE COMMONS DRIVE
MEDINA, OHIO 44256

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INDEPENDENT AUDITOR'S REPORT

To the Village Council
Village of Barnhill
Tuscarawas County
P.O. Box 558
Midvale, Ohio 44653

I have audited the accompanying financial statements of the Village of Barnhill, Tuscarawas County, Ohio (the Village) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards 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 I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Barnhill as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, I have also issued a report dated June 27, 2000 on my consideration of the Village's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

Laura J. MacDonald, CPA, Inc.
June 27, 2000

**VILLAGE OF BARNHILL
 COMBINED STATEMENT OF CASH RECEIPTS,
 CASH DISBURSEMENTS AND CHANGES IN FUND
 CASH BALANCES - ALL GOVERNMENTAL FUNDS
 Year Ended December 31, 1999**

	GENERAL FUND	SPECIAL REVENUE FUNDS	(Memorandum Only) TOTAL
CASH RECEIPTS			
Local taxes	\$ 12,264	\$ -	\$ 12,264
Intergovernmental revenues	10,428	7,019	17,447
Fines, licenses and permits	950	-	950
Miscellaneous	2,503	619	3,122
	<u>26,145</u>	<u>7,638</u>	<u>33,783</u>
CASH DISBURSEMENTS			
General government	14,007	290	14,297
Security of persons and property	10,472	-	10,472
Transportation	-	12,251	12,251
Public health services	46	-	46
	<u>24,525</u>	<u>12,541</u>	<u>37,066</u>
EXCESS (DEFICIT) OF CASH RECEIPTS OVER CASH DISBURSEMENTS	1,620	(4,903)	(3,283)
FUND CASH BALANCES AT BEGINNING OF YEAR			
	<u>8,631</u>	<u>18,811</u>	<u>27,442</u>
FUND CASH BALANCES AT END OF YEAR	<u>\$ 10,251</u>	<u>\$ 13,908</u>	<u>\$ 24,159</u>
RESERVE FOR ENCUMBRANCES			
	<u>\$ 359</u>	<u>\$ -</u>	<u>\$ 359</u>

Please refer to accompanying notes.

**VILLAGE OF BARNHILL
 COMBINED STATEMENT OF CASH RECEIPTS,
 CASH DISBURSEMENTS AND CHANGES IN FUND
 CASH BALANCES - ALL GOVERNMENTAL FUNDS
 Year Ended December 31, 1998**

	GENERAL FUND	SPECIAL REVENUE FUNDS	(Memorandum Only) TOTAL
CASH RECEIPTS			
Local taxes	\$ 11,152	\$ -	\$ 11,152
Intergovernmental revenues	8,658	6,867	15,525
Fines, licenses and permits	360	-	360
Miscellaneous	767	746	1,513
	<u>20,937</u>	<u>7,613</u>	<u>28,550</u>
CASH DISBURSEMENTS			
General government	9,970	211	10,181
Security of persons and property	5,381	-	5,381
Transportation	-	4,500	4,500
Public health services	45	-	45
	<u>15,396</u>	<u>4,711</u>	<u>20,107</u>
EXCESS OF CASH RECEIPTS OVER CASH DISBURSEMENTS	5,541	2,902	8,443
FUND CASH BALANCES			
AT BEGINNING OF YEAR	<u>3,090</u>	<u>15,909</u>	<u>18,999</u>
FUND CASH BALANCES AT END OF YEAR	<u>\$ 8,631</u>	<u>\$ 18,811</u>	<u>\$ 27,442</u>
RESERVE FOR ENCUMBRANCES	<u>\$ 325</u>	<u>\$ 119</u>	<u>\$ 444</u>

Please refer to accompanying notes.

**VILLAGE OF BARNHILL
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Barnhill, Tuscarawas County, Ohio, (the Village) 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 publicly elected six person council. The Village provides its residents with general governmental services. The Village contracts with the Village of Midvale to provide fire protection and ambulance services.

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

Accounting Basis

The accompanying financial statements have been prepared on the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned and disbursements are recognized when they are paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

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

Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

General Fund

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

Special Revenue Funds

The Special Revenue Funds are used to account for receipts from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following special revenue funds at December 31, 1999 and 1998:

Street Maintenance and Repair Fund: This fund receives gasoline taxes and motor vehicle tax money for the purpose of constructing, maintaining and repairing the Village streets.

Recycling Fund: This fund receives and disburses money related to the monthly collections of recycled products from Village residents.

**VILLAGE OF BARNHILL
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Budgetary Process

The Ohio Revised Code requires that budgets be prepared for each fund annually. Requirements of the budgetary process are as follows:

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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

Estimated Resources

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

Encumbrances

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

A summary of 1999 and 1998 budgetary activity appears in Note 6.

Property, Plant and Equipment

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

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31, 1999 and 1998 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$24,159</u>	<u>\$27,442</u>

As of December 31, 1999 and 1998, all deposits were insured by the Federal Depository Insurance Corporation.

VILLAGE OF BARNHILL
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998

NOTE 3 - PROPERTY TAXES

Real property taxes become a lien on the January 1st preceding the October 1st date for which rates are adopted by the Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as intergovernmental receipts. Payments are due to the County by December 31st. If the property owner elects to make semiannual payments, the first half is due December 31st. The second half payment is due the following June 20th. Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30th. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

NOTE 4 – DEFINED BENEFIT PENSION PLAN

Pursuant to laws regulating Public Employees Retirement System (PERS) Form F-82, an elected official or individual appointed to a publicly elected position has the option of membership in PERS. None of the Village employees belong to PERS of Ohio.

NOTE 5 - RISK MANAGEMENT

As of December 31, 1999, the Village had commercial general liability insurance coverage of \$300,000 for each occurrence and \$600,000 in the aggregate. The Village also has obtained Public Officials' Liability coverage.

NOTE 6 - BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 1999 and 1998 was as follows:

Year Ended December 31, 1999:

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 21,910	\$ 26,145	\$ 4,235
Special Revenue	_____	<u>7,638</u>	<u>7,638</u>
	<u>\$ 21,910</u>	<u>\$ 33,783</u>	<u>\$ 11,873</u>

<u>Fund Type</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 27,970	\$ 24,884	\$ 3,086
Special Revenue	<u>18,550</u>	<u>12,541</u>	<u>6,009</u>
	<u>\$ 46,520</u>	<u>\$ 37,425</u>	<u>\$ 9,095</u>

VILLAGE OF BARNHILL
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998

NOTE 6 – BUDGETARY ACTIVITY (Continued)

Year Ended December 31, 1998:

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 19,608	\$ 20,937	\$ 1,329
Special Revenue	<u>2,000</u>	<u>7,613</u>	<u>5,613</u>
	<u>\$ 21,608</u>	<u>\$ 28,550</u>	<u>\$ 6,942</u>

<u>Fund Type</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 21,848	\$ 15,721	\$ 6,127
Special Revenue	<u>17,780</u>	<u>4,830</u>	<u>12,950</u>
	<u>\$ 39,628</u>	<u>\$ 20,551</u>	<u>\$ 19,077</u>

LAURA J. MACDONALD, CPA, INC.
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**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Village Council
Village of Barnhill
Tuscarawas County
P. O. Box 558
Midvale, Ohio 44653

I have audited the accompanying financial statements of the Village of Barnhill, Tuscarawas County, Ohio (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued my report thereon dated June 27, 2000. I conducted my audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Barnhill's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audits and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of noncompliance that I have reported to the management of the Village of Barnhill in a separate letter dated June 27, 2000.

Internal Control Over Financial Reporting

In planning and performing my audits, I considered the Village of Barnhill's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

The Village Council
Village of Barnhill
Page 2

However, I noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that I have reported to the management of the Village of Barnhill in a separate letter dated June 27, 2000.

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

Laura J. MacDonald, CPA, Inc.
June 27, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
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800-282-0370
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VILLAGE OF BARNHILL

TUSCARAWAS 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
OCTOBER 19, 2000**