



**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF BARNESVILLE
BELMONT COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Barnesville
Belmont County
132 North Arch Street
Barnesville, Ohio 43713

To the Village Council:

We have audited the accompanying financial statements of the Village of Barnesville, Belmont County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999. 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 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Barnesville, Belmont County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2001 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

March 12, 2001

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VILLAGE OF BARNSVILLE
BELMONT COUNTY

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

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Tax and Other Local Taxes	\$89,120	\$549,891	\$	\$	\$8,354	\$647,365
Intergovernmental Receipts	266,836	156,260	133,412	265,306	1,244	823,058
Charges for Services	4,920	132,991				137,911
Fines, Licenses, and Permits	36,556	20,816				57,372
Miscellaneous	142,672	27,833		12,802		183,307
Total Cash Receipts	540,104	887,791	133,412	278,108	9,598	1,849,013
Cash Disbursements:						
Current:						
Security of Persons and Property	439,301	277			38,661	478,239
Public Health Services	11,683	71,966				83,649
Leisure Time Activities	7,570	114,913				122,483
Community Environment	1,211					1,211
Transportation	19,370	191,439				210,809
General Government	149,932	36,130				186,062
Debt Service:						
Principal Payments			701,184			701,184
Interest Payments			127,117			127,117
Capital Outlay		107,731		660,577		768,308
Total Cash Disbursements	629,067	522,456	828,301	660,577	38,661	2,679,062
Total Cash Receipts Over/(Under) Cash Disbursements	(88,963)	365,335	(694,889)	(382,469)	(29,063)	(830,049)
Other Financing Receipts/(Disbursements):						
Sale of Bonds or Notes			481,812	238,480		720,292
Transfers-In	142,879	139,910	216,710	117,000	26,000	642,499
Transfers-Out	(12,000)	(489,467)				(501,467)
Total Other Financing Receipts/(Disbursements)	130,879	(349,557)	698,522	355,480	26,000	861,324
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	41,916	15,778	3,633	(26,989)	(3,063)	31,275
Fund Cash Balances, January 1	116,102	253,108	91	150,177	4,194	523,672
Fund Cash Balances, December 31	\$158,018	\$268,886	\$3,724	\$123,188	\$1,131	\$554,947
Reserves for Encumbrances, December 31	\$650	\$4,927	\$0	\$0	\$0	\$5,577

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

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Cash Receipts:			
Charges for Services	\$1,075,775	\$	\$1,075,775
Miscellaneous	16,718		16,718
Total Operating Cash Receipts	<u>1,092,493</u>	<u>0</u>	<u>1,092,493</u>
Operating Cash Disbursements:			
Personal Services	333,769		333,769
Contractual Services	339,228		339,228
Supplies and Materials	152,407		152,407
Capital Outlay	29,622		29,622
Total Operating Cash Disbursements	<u>855,026</u>	<u>0</u>	<u>855,026</u>
Operating Income/(Loss)	<u>237,467</u>	<u>0</u>	<u>237,467</u>
Non-Operating Cash Receipts:			
Miscellaneous	33,948		33,948
Sale of Fixed Assets	33,593		33,593
Other Non-Operating Cash Receipts	6,320	88	6,408
Total Non-Operating Cash Receipts	<u>73,861</u>	<u>88</u>	<u>73,949</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	311,328	88	311,416
Transfers-In		1,680	1,680
Transfers-Out	<u>(142,712)</u>		<u>(142,712)</u>
Net Receipts Over/(Under) Disbursements	168,616	1,768	170,384
Fund Cash Balances, January 1	<u>1,185,437</u>	<u>161,959</u>	<u>1,347,396</u>
Fund Cash Balances, December 31	<u>\$1,354,053</u>	<u>\$163,727</u>	<u>\$1,517,780</u>
Reserve for Encumbrances, December 31	<u>\$7,352</u>	<u>\$0</u>	<u>\$7,352</u>

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

VILLAGE OF BARNESVILLE
BELMONT COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Tax and Other Local Taxes	\$87,964	\$546,231	\$	\$	\$8,247	\$642,442
Special Assessments			8,199			8,199
Intergovernmental Receipts	208,026	144,627	121,000	190,479	1,441	665,573
Charges for Services	3,145	121,679				124,824
Fines, Licenses, and Permits	35,826	19,419				55,245
Miscellaneous	116,424	23,008		7,750		147,182
Total Cash Receipts	451,385	854,964	129,199	198,229	9,688	1,643,465
Cash Disbursements:						
Current:						
Security of Persons and Property	424,087				34,611	458,698
Public Health Services	11,947	100,048				111,995
Leisure Time Activities	5,463	133,035				138,498
Community Environment	1,211					1,211
Basic Utility Services		880				880
Transportation	19,617	200,420				220,037
General Government	155,861	32,642				188,503
Debt Service:						
Principal Payments			870,052			870,052
Interest Payments			138,898			138,898
Capital Outlay		15,956		300,928		316,884
Total Cash Disbursements	618,186	482,981	1,008,950	300,928	34,611	2,445,656
Total Cash Receipts Over/(Under) Cash Disbursements	(166,801)	371,983	(879,751)	(102,699)	(24,923)	(802,191)
Other Financing Receipts/(Disbursements):						
Sale of Bonds or Notes			660,111			660,111
Transfers-In	143,387	193,580	219,659	188,283	26,255	771,164
Transfers-Out	(15,000)	(563,227)				(578,227)
Total Other Financing Receipts/(Disbursements)	128,387	(369,647)	879,770	188,283	26,255	853,048
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(38,414)	2,336	19	85,584	1,332	50,857
Fund Cash Balances, January 1	154,516	250,772	72	64,593	2,862	472,815
Fund Cash Balances, December 31	\$116,102	\$253,108	\$91	\$150,177	\$4,194	\$523,672
Reserves for Encumbrances, December 31	\$3,152	\$7,863	\$0	\$249,895	\$0	\$260,910

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

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Cash Receipts:			
Charges for Services	\$1,032,639	\$	\$1,032,639
Miscellaneous	3,460		3,460
Total Operating Cash Receipts	<u>1,036,099</u>	<u>0</u>	<u>1,036,099</u>
Operating Cash Disbursements:			
Personal Services	319,636		319,636
Contractual Services	155,650		155,650
Supplies and Materials	146,886		146,886
Capital Outlay	45,853		45,853
Total Operating Cash Disbursements	<u>668,025</u>	<u>0</u>	<u>668,025</u>
Operating Income/(Loss)	<u>368,074</u>	<u>0</u>	<u>368,074</u>
Non-Operating Cash Receipts:			
Miscellaneous	300	33	333
Sale of Fixed Assets	11,515		11,515
Other Non-Operating Cash Receipts	9,941		9,941
Total Non-Operating Cash Receipts	<u>21,756</u>	<u>33</u>	<u>21,789</u>
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements	6,040		6,040
Total Non-Operating Cash Disbursements	<u>6,040</u>	<u>0</u>	<u>6,040</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	383,790	33	383,823
Transfers-In	26	2,240	2,266
Transfers-Out	(195,203)		(195,203)
Net Receipts Over/(Under) Disbursements	188,613	2,273	190,886
Fund Cash Balances, January 1	<u>996,824</u>	<u>159,686</u>	<u>1,156,510</u>
Fund Cash Balances, December 31	<u>\$1,185,437</u>	<u>\$161,959</u>	<u>\$1,347,396</u>
Reserve for Encumbrances, December 31	<u>\$162,365</u>	<u>\$0</u>	<u>\$162,365</u>

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Barnesville, Belmont County (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), fire protection, emergency medical services, cemetery maintenance and police services.

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

B. Basis of Accounting

These financial statements follow the 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 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.

C. Cash and Investments

Certificates of deposit and stock are valued at cost. The investment in STAROhio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund (Continued)

Park and Recreation Fund - This fund receives donations and distributions from income tax collections to be used for the maintenance and upkeep of the Village Park.

Emergency Medical Services Fund - This fund receives money from E-Squad runs and is used toward the operation of emergency service personnel and equipment.

3. Debt Service Funds

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant Debt Service Funds:

Downtown Streetscape Note Fund - The proceeds are from a bond anticipation note. The proceeds are being used to help finance the downtown economic development project.

Library Note Fund - A bond anticipation note, in the name of the Village, is being paid off by the Barnesville Hutton Memorial Library for cost of construction building improvements at the Library. The Library makes payments to the Village for the principal and interest due on the note.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Funds:

Capital Improvements Fund - This fund receives distributions from income tax collections. The proceeds are being used to make capital improvements within the Village.

Issue II Project CR17C/CR18C - This fund receives proceeds from the Ohio Public Works Commission for Water Line Improvements. At the conclusion of the project, the grant will become a twenty-year loan.

5. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

6. Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a Nonexpendable Trust Fund. Other trust funds are classified as Expendable. The Village had the following significant Fiduciary Funds:

Police Disability and Pension Fund - This Expendable Trust Fund is used to accumulate property taxes levied for payment of employer contributions for police disability and pension benefits.

Cemetery Endowment Fund - This Nonexpendable Trust Fund receives interest from principal that is invested and dividends from stocks that were donated. This interest is remitted to the Cemetery Fund for general operations.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The 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.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 229,026	\$ 197,555
Certificates of deposit	1,560,985	1,405,000
Total deposits	1,790,011	1,602,555
Stocks	46,852	46,853
STAROhio	235,864	221,660
Total investments	282,716	268,513
Total deposits and investments	\$ 2,072,727	\$ 1,871,068

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, and/or (2) collateralized by the financial institution's public entity deposit pool

Investments: Investments in STAROhio are not evidenced by securities that exist in physical or book-entry form. Donated stocks are valued at cost or value at the time of donation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 648,307	\$ 682,983	\$ 34,676
Special Revenue	982,310	1,027,701	45,391
Debt Service	855,054	831,934	(23,120)
Capital Projects	665,426	633,588	(31,838)
Enterprise	936,254	1,166,354	230,100
Fiduciary	38,206	37,366	(840)
Total	\$ 4,125,557	\$ 4,379,926	\$ 254,369

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 695,251	\$ 641,717	\$ 53,534
Special Revenue	1,075,460	1,016,850	58,610
Debt Service	854,607	828,301	26,306
Capital Projects	557,041	660,577	(103,536)
Enterprise	1,902,654	1,005,090	897,564
Fiduciary	58,661	38,661	20,000
Total	<u>\$ 5,143,674</u>	<u>\$ 4,191,196</u>	<u>\$ 952,478</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 516,708	\$ 594,772	\$ 78,064
Special Revenue	940,811	1,048,544	107,733
Debt Service	1,009,635	1,008,969	(666)
Capital Projects	624,391	386,512	(237,879)
Enterprise	906,450	1,057,881	151,431
Fiduciary	37,480	38,216	736
Total	<u>\$ 4,035,475</u>	<u>\$ 4,134,894</u>	<u>\$ 99,419</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 660,233	\$ 636,338	\$ 23,895
Special Revenue	1,073,037	1,054,071	18,966
Debt Service	1,009,635	1,008,950	685
Capital Projects	682,078	550,823	131,255
Enterprise	1,059,119	1,031,633	27,486
Fiduciary	44,700	34,611	10,089
Total	<u>\$ 4,528,802</u>	<u>\$ 4,316,426</u>	<u>\$ 212,376</u>

The Village had expenditures in excess of appropriations contrary to Ohio Rev. Code Section 5705.41(B).

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 1,039,352	8.47%
Ohio Public Works Commission Loan	233,301	0.02%
Bond Anticipation Notes	704,031	5.50% - 6.75%
Total	\$ 1,976,684	

The Ohio Water Development Authority (OWDA) loan relates to a utility construction project that was mandated by the Ohio Environmental Protection Agency. The loans will be repaid in semiannual installments of \$67,460, including interest, over 25 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) loan relates to a water line improvements project. The loan will be repaid in semiannual installments of \$7,105, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover the OPWC debt service requirements.

The bond anticipation notes consist of five different issues consisting of the following: a waterline project in the Mt. Olivett area that is being repaid by the Mt. Olivett residents through signed water user agreements and mortgages to secure payment; a downtown economic development project, in which the full faith, revenue and credit of the Village is pledged; two fire truck purchases which are being paid from a levy and the full faith, revenue and credit of the Village is pledged; and, a library building improvement which will be paid by the Board of Trustees of the Barnesville Hutton Memorial Library. The Village is the first lien holder of the Library building until payment has been made. These notes were all issued for a one year term.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. DEBT (Continued)

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

Year ending December 31:	OWDA Loan	OPWC Loan
2001	\$ 134,920	\$ 7,105
2002	134,920	14,211
2003	134,920	14,211
2004	134,920	14,211
2005	134,920	14,211
Subsequent	1,079,364	220,264
Total	\$ 1,753,964	\$ 284,213

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees, as well as the Council members and Clerk, belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The Village has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Village of Barnesville
Belmont County
132 North Arch Street
Barnesville, Ohio 43713

To the Village Council:

We have audited the accompanying financial statements of the Village of Barnesville, Belmont County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 12, 2001. We conducted our audit 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's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2000-31007-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 12, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated March 12, 2001.

Village of Barnesville
Belmont County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended 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.

Jim Petro
Auditor of State

March 12, 2001

VILLAGE OF BARNESVILLE
BELMONT COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999

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

FINDING NUMBER 2000-31007-001

Ohio Revised Code Section 5705.41(B) requires no subdivision or taxing authority to expend money unless it has been appropriated.

The following funds had expenditures which exceeded appropriations at the legal level of control at fiscal year end:

2000

Capital Projects Fund Type Issue II 17/18C Fund Capital Outlay	\$171,168
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1999

Capital Projects Fund Type Issue II 20 Fund Capital Outlay	2,960
Plaza Overlook Fund Capital Outlay	4,816
Enterprise Fund Water Fund Contractual Services	121,193

The following fund has expenditures which exceeded appropriations at the legal level of control at September 30, 2000:

2000

Special Revenue Fund Type Permissive Tax Fund Capital Outlay	\$10,848
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We recommend the Clerk modify appropriations with the Village Council and County Budget Commission whenever expenditures exceed appropriations. The Clerk should deny any payments until the legislative authority has passed the appropriations.



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF BARNESVILLE

BELMONT 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
APRIL 17, 2001**