



**VILLAGE OF NORTH BEND  
HAMILTON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**VILLAGE OF NORTH BEND  
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## INDEPENDENT ACCOUNTANTS' REPORT

Village of North Bend  
Hamilton County  
21 Taylor Avenue  
North Bend, Ohio 45052

To the Village Council:

We have audited the accompanying financial statements of the Village of North Bend, Hamilton 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 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 April 23, 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. That 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

April 23, 2001

**VILLAGE OF NORTH BEND  
HAMILTON COUNTY**

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

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$105,641	\$21,775	\$0	\$127,416
Special Assessments	8,908	0	0	8,908
Intergovernmental Receipts	135,578	29,543	66,353	231,474
Fines, Licenses, and Permits	13,415	0	0	13,415
Earnings on Investments	20,833	0	0	20,833
Miscellaneous	586	0	0	586
	<u>284,961</u>	<u>51,318</u>	<u>66,353</u>	<u>402,632</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	72,015	49,274	0	121,289
Public Health Services	500	0	0	500
Leisure Time Activities	1,473	0	0	1,473
Basic Utility Services	5,375	0	0	5,375
Transportation	18,000	60,013	66,353	144,366
General Government	143,489	195	0	143,683
	<u>240,851</u>	<u>109,481</u>	<u>66,353</u>	<u>416,685</u>
Total Receipts Over/(Under) Disbursements	<u>44,110</u>	<u>(58,163)</u>	<u>0</u>	<u>(14,054)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	0	57,559	0	57,559
Transfers-Out	(57,559)	0	0	(57,559)
	<u>(57,559)</u>	<u>57,559</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(13,449)</u>	<u>(604)</u>	<u>0</u>	<u>(14,054)</u>
Fund Cash Balances, January 1	<u>252,834</u>	<u>26,759</u>	<u>0</u>	<u>279,593</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$239,385</u></b>	<b><u>\$26,154</u></b>	<b><u>\$0</u></b>	<b><u>\$265,539</u></b>
Reserves for Encumbrances, December 31	<u>\$26,780</u>	<u>\$5</u>	<u>\$0</u>	<u>\$26,785</u>

**VILLAGE OF NORTH BEND  
HAMILTON COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$133,967	\$27,312	\$161,280
Special Assessments	6,195	0	6,195
Intergovernmental Receipts	40,113	27,091	67,204
Charges for Services	29	0	29
Fines, Licenses, and Permits	20,386	0	20,386
Earnings on Investments	6,634	0	6,634
Miscellaneous	3,004	6,195	9,199
	<u>210,327</u>	<u>60,599</u>	<u>270,926</u>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	48,571	56,991	105,562
Leisure Time Activities	422	0	422
Community Environment	356	0	356
Basic Utility Services	4,956	0	4,956
Transportation	0	21,173	21,173
General Government	115,098	107	115,205
Capital Outlay	0	6,974	6,974
	<u>169,403</u>	<u>85,245</u>	<u>254,648</u>
Total Receipts Over/(Under) Disbursements	<u>40,924</u>	<u>(24,647)</u>	<u>16,277</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	30,000	30,000
Transfers-Out	(30,000)	0	(30,000)
	<u>(30,000)</u>	<u>30,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	10,924	5,353	16,277
Fund Cash Balances, January 1	<u>241,908</u>	<u>21,405</u>	<u>263,313</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$252,833</u></b>	<b><u>\$26,758</u></b>	<b><u>\$279,591</u></b>
Reserves for Encumbrances, December 31	<u>\$8,777</u>	<u>\$0</u>	<u>\$8,777</u>



**VILLAGE OF NORTH BEND  
HAMILTON 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 North Bend, Hamilton 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 and road maintenance. The Village contracts with the Hamilton County Sheriff's department to provide security of persons and property, and Miami Township for fire.

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**

Repurchase Agreements are valued at cost.

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 Fund**

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 Fund:

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 NORTH BEND  
HAMILTON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Capital Project Funds**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Village had the following significant Capital Project Funds:

Ohio Public Works Fund - This fund receives proceeds of general obligation bonds. The proceeds are being used to repair Village roads.

**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 and function 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.

**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.

**VILLAGE OF NORTH BEND  
HAMILTON COUNTY**

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

**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	\$ (32,077)	\$ (5,290)
Total deposits	<u>(32,077)</u>	<u>(5,290)</u>
Repurchase Agreement	297,616	<u>284,881</u>
Total investments	<u>297,616</u>	<u>284,881</u>
Total deposits and investments	<u>\$ 265,539</u>	<u>\$ 279,591</u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's Public Entity Deposit Pool.

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 249,513	\$ 284,961	\$ 35,448
Special Revenue	110,559	108,877	(1,682)
Capital Projects	<u>66,353</u>	<u>66,353</u>	<u>0</u>
Total	<u>\$ 426,425</u>	<u>\$ 460,191</u>	<u>\$ 33,766</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 418,479	\$ 325,190	\$ 93,289
Special Revenue	128,767	109,486	19,281
Capital Projects	<u>66,353</u>	<u>66,353</u>	<u>0</u>
Total	<u>\$ 613,599</u>	<u>\$ 501,029</u>	<u>\$ 112,570</u>

**VILLAGE OF NORTH BEND  
HAMILTON COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 192,339	\$ 210,327	\$ 17,988
Special Revenue	<u>87,689</u>	<u>90,599</u>	<u>2,910</u>
Total	<u>\$ 280,028</u>	<u>\$ 300,926</u>	<u>\$ 20,898</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 267,630	\$ 208,180	\$ 59,450
Special Revenue	<u>95,044</u>	<u>85,245</u>	<u>9,799</u>
Total	<u>\$ 362,674</u>	<u>\$ 293,425</u>	<u>\$ 69,249</u>

**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**

The Village had no debt outstanding at December 31, 2000.

**6. RETIREMENT SYSTEMS**

The Village's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement 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. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries through June 2000, and 8.13% thereafter. The Village has paid all contributions required through December 31, 2000.

**VILLAGE OF NORTH BEND  
HAMILTON COUNTY**

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

**7. RISK MANAGEMENT**

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

**8. RESTATEMENT OF BEGINNING FUND CASH BALANCES**

In 1999, the General Fund beginning balance was restated by \$124. The Village voided an outstanding check from 1998. Voiding the outstanding check caused the fund balance to increase by \$124.

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OFFICE OF THE AUDITOR

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

Village of North Bend  
Hamilton County  
21 Taylor Avenue  
North Bend, Ohio 45052

To the Village Council:

We have audited the accompanying financial statements of the Village of North Bend, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 23, 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 no instances of noncompliance that is required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated April 23, 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 April 23, 2001.

Village of North Bend  
Hamilton County  
Report on Compliance and on Internal Control Required by  
*Government Auditing Standards*  
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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

April 23, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF NORTH BEND**

**HAMILTON 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  
MAY 29, 2001**