



**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Bowersville
Greene County
3192 Maysville Street, P. O. Box 306
Bowersville, Ohio 45307

To the Village Council:

We have audited the accompanying financial statements of the Village of Bowersville, Greene 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. 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, 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*, we have also issued our report dated June 23, 2000 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 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.

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

Jim Petro
Auditor of State

June 23, 2000

**VILLAGE OF BOWERSVILLE
GREENE 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>Governmental Fund Types</u> | | | Totals (Memorandum Only) |
|---|--------------------------------|----------------------------|-----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | |
| Cash Receipts: | | | | |
| Property Tax and Other Local Taxes | \$8,370 | \$3,300 | \$0 | \$11,670 |
| Intergovernmental Receipts | 12,197 | 8,802 | 19,796 | 40,795 |
| Charges for Services | 1,042 | | | 1,042 |
| Fines, Licenses, and Permits | 497 | | | 497 |
| Earnings on Investments | 1,153 | 199 | | 1,352 |
| Miscellaneous | 55 | 249 | | 304 |
| | <u>23,314</u> | <u>12,550</u> | <u>19,796</u> | <u>55,660</u> |
| Total Cash Receipts | | | | |
| | <u>23,314</u> | <u>12,550</u> | <u>19,796</u> | <u>55,660</u> |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Public Health Services | 301 | | | 301 |
| Transportation | | 10,949 | | 10,949 |
| General Government | 18,179 | 89 | | 18,268 |
| Capital Outlay | | | 24,368 | 24,368 |
| | <u>18,480</u> | <u>11,038</u> | <u>24,368</u> | <u>53,886</u> |
| Total Disbursements | | | | |
| | <u>18,480</u> | <u>11,038</u> | <u>24,368</u> | <u>53,886</u> |
| Total Receipts Over/(Under) Disbursements | <u>4,834</u> | <u>1,512</u> | <u>(4,572)</u> | <u>1,774</u> |
| Fund Cash Balances January 1 | <u>5,260</u> | <u>16,648</u> | <u>23,766</u> | <u>45,674</u> |
| Fund Cash Balances, December 31 | <u>\$10,094</u> | <u>\$18,160</u> | <u>\$19,194</u> | <u>\$47,448</u> |
| Reserves for Encumbrances, December 31, 1998 | <u>\$0</u> | <u>\$220</u> | <u>\$0</u> | <u>\$220</u> |

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

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

| | Enterprise |
|--|-------------------|
| Operating Cash Receipts: | |
| Charges for Services | \$26,112 |
| Total Operating Cash Receipts | 26,112 |
| Operating Cash Disbursements: | |
| Personal Services | 9,681 |
| Fringe Benefits | 4,914 |
| Contractual Services | 8,341 |
| Supplies and Materials | 2,664 |
| Miscellaneous | 32 |
| Total Operating Cash Disbursements | 25,632 |
| Operating Income/(Loss) | 480 |
| Fund Cash Balances, January 1 | 10,458 |
| Fund Cash Balances, December 31 | \$10,938 |
| Reserve for Encumbrances, December 31 | \$0 |

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

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

| | <u>Governmental Fund Types</u> | | | Totals (Memorandum Only) |
|---|--------------------------------|----------------------------|-----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | |
| Cash Receipts: | | | | |
| Property Tax and Other Local Taxes | \$9,325 | \$3,689 | \$0 | \$13,014 |
| Intergovernmental Receipts | 12,244 | 8,645 | 59,852 | 80,741 |
| Charges for Services | 355 | | | 355 |
| Earnings on Investments | 2,033 | 447 | | 2,480 |
| Miscellaneous | 3,530 | | | 3,530 |
| Total Cash Receipts | <u>27,487</u> | <u>12,781</u> | <u>59,852</u> | <u>100,120</u> |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Security of Persons and Property | | 1,300 | | 1,300 |
| Public Health Services | 371 | | | 371 |
| Transportation | | 8,484 | | 8,484 |
| General Government | 24,703 | | | 24,703 |
| Capital Outlay | | | 56,946 | 56,946 |
| Total Disbursements | <u>25,074</u> | <u>9,784</u> | <u>56,946</u> | <u>91,804</u> |
| Total Receipts Over/(Under) Disbursements | <u>2,413</u> | <u>2,997</u> | <u>2,906</u> | <u>8,316</u> |
| Other Financing Receipts/(Disbursements): | | | | |
| Transfers-In | | | 39,962 | 39,962 |
| Advances-In | 500 | 23,912 | | 24,412 |
| Transfers-Out | | (39,962) | | (39,962) |
| Advances-Out | (5,310) | | (19,102) | (24,412) |
| Total Other Financing Receipts/(Disbursements) | <u>(4,810)</u> | <u>(16,050)</u> | <u>20,860</u> | <u>0</u> |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | <u>(2,397)</u> | <u>(13,053)</u> | <u>23,766</u> | <u>8,316</u> |
| Fund Cash Balances January 1 | <u>7,657</u> | <u>29,701</u> | <u>0</u> | <u>37,358</u> |
| Fund Cash Balances, December 31 | <u>\$5,260</u> | <u>\$16,648</u> | <u>\$23,766</u> | <u>\$45,674</u> |
| Reserves for Encumbrances, December 31, 1998 | <u>\$0</u> | <u>\$0</u> | <u>\$23,766</u> | <u>\$23,766</u> |

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

VILLAGE OF BOWERSVILLE
GREENE COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998

| | <u>Enterprise</u> |
|---|------------------------|
| Operating Cash Receipts: | |
| Charges for Services | \$25,308 |
| Total Operating Cash Receipts | <u>25,308</u> |
| Operating Cash Disbursements: | |
| Personal Services | 4,535 |
| Fringe Benefits | 2,156 |
| Contractual Services | 23,875 |
| Supplies and Materials | 4,118 |
| Miscellaneous | <u>78</u> |
| Total Operating Cash Disbursements | <u>34,762</u> |
| Operating Income/(Loss) | <u>(9,454)</u> |
| Advances-In | 500 |
| Advances-Out | <u>(500)</u> |
| Net Receipts Over/(Under) Disbursements | (9,454) |
| Fund Cash Balances, January 1 | <u>19,912</u> |
| Fund Cash Balances, December 31 | <u><u>\$10,458</u></u> |
| Reserve for Encumbrances, December 31 | <u><u>\$0</u></u> |

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

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Bowersville, Greene 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 utilities.

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 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 Funds:

Permissive Motor Vehicle License Tax Fund- This fund is used to account for proceeds from the registration of motor vehicles. Monies are used to maintain roads within the Village.

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund (Continued)

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

3. 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:

Community Development Block Grant Fund - This fund is utilized to account for receipts and disbursements for street improvements. Most of this activity represented on-behalf of payments made by Clark County.

Issue II Fund- This fund is utilized to account for receipts and disbursements for storm sewer reconstruction. This activity represents on-behalf of payments made by the Ohio Public Works Commission.

4. 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 Fund:

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

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.

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 1999 and 1998 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.

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>1999</u> | <u>1998</u> |
|-----------------|-------------|-------------|
| Demand deposits | \$ 58,386 | \$ 56,132 |

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

| 1999 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 19,920 | \$ 23,314 | \$ 3,394 |
| Special Revenue | 23,240 | 12,550 | (10,690) |
| Capital Projects | 0 | 19,796 | 19,796 |
| Enterprise | 27,600 | 26,112 | (1,488) |
| Total | \$ 70,760 | \$ 81,772 | \$ 11,012 |

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 20,219 | \$ 18,480 | \$ 1,739 |
| Special Revenue | 13,729 | 11,258 | 2,471 |
| Capital Projects | 23,766 | 24,368 | (602) |
| Enterprise | 27,131 | 25,632 | 1,499 |
| Total | \$ 84,845 | \$ 79,738 | \$ 5,107 |

| 1998 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|--------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 29,369 | \$ 27,487 | \$ (1,882) |
| Special Revenue | 10,000 | 12,781 | 2,781 |
| Capital Projects | 241,102 | 99,814 | (141,288) |
| Enterprise | 27,000 | 25,308 | (1,692) |
| Total | \$ 307,471 | \$ 165,390 | \$ (142,081) |

| 1998 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 24,000 | \$ 25,074 | \$ (1,074) |
| Special Revenue | 9,200 | 49,746 | (40,546) |
| Capital Projects | 222,000 | 80,712 | 141,288 |
| Enterprise | 27,000 | 34,762 | (7,762) |
| Total | \$ 282,200 | \$ 190,294 | \$ 91,906 |

The majority of the variance in the Capital Projects Fund Type for 1998 was a result of the Village budgeting the entire multi-year storm sewer project that involved the use of State Issue 2 funds as well as local funds.

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.

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. 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 plan. This plan provides 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 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

6. RISK ANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

7. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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

Village of Bowersville
Greene County
3192 Maysville Street, P. O. Box 306
Bowersville, Ohio 45307

To the Village Council:

We have audited the accompanying financial statements of the Village of Bowersville, Greene County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 23, 2000. 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 are 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 June 23, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated June 23, 2000.

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.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

June 23, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF BOWERSVILLE

GREENE 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
JULY 18, 2000