
VILLAGE OF CLARKSBURG

ROSS COUNTY

REGULAR AUDIT

JANUARY 1, 1998 - DECEMBER 31, 1999

VILLAGE OF CLARKSBURG

ROSS COUNTY

REGULAR AUDIT

JANUARY 1, 1998 - DECEMBER 31, 1999

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VILLAGE OF CLARKSBURG
ROSS COUNTY
JANUARY 1, 1998 THROUGH DECEMBER 31, 1999

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STATE OF OHIO
OFFICE OF THE AUDITOR

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Village Council
Village of Clarksburg

We have reviewed the Independent Auditor's Report of the Village of Clarksburg, Ross County, prepared by Michael A. Balestra, CPA, Inc. for the audit period January 1, 1998 through 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 Clarksburg is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro", written over a large, stylized flourish that loops around the text.

JIM PETRO
Auditor of State

May 24, 2000

MICHAEL A. BALESTRA, CPA, INC.

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Independent Auditor's Report

Village Council
Village of Clarksburg
Clarksburg, Ohio 43115

We have audited the accompanying financial statements of the Village of Clarksburg, Ross County, Ohio, (the Village) as of and for the year ended December 31, 1999, and December 31, 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 audits.

We conducted our audits in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we 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. 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 cash basis of accounting, 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 Clarksburg, Ross County, Ohio, as of December 31, 1999, and December 31, 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 May 5, 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.

Michael A. Balestra, CPA, Inc.

Michael A. Balestra, CPA, Inc.

May 5, 2000

**VILLAGE OF CLARKSBURG
ROSS 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**

	General	Special Revenue	Capital Projects	(Memorandum Only) Total
Cash receipts:				
Property taxes	\$7,492	\$787	\$0	\$8,279
Intergovernmental	52,841	21,713	29,018	103,572
Interest	5,293	178	0	5,471
Miscellaneous	2,264	0	0	2,264
Total cash receipts	67,890	22,678	29,018	119,586
Cash disbursements:				
Current:				
Security of persons and property	4,120	12,342	0	16,462
Leisure time activities	1,165	0	0	1,165
Transportation	0	8,812	0	8,812
General government	43,510	0	0	43,510
Capital outlay	9,083	7,641	29,018	45,742
Total program disbursements	57,878	28,795	29,018	115,691
Total receipts over/(under) program disbursements	10,012	(6,117)	0	3,895
Other financing receipts/(disbursements):				
Advances-in	2,000	2,000	0	4,000
Advances-out	(2,000)	(2,000)	0	(4,000)
Total other financing receipts/(disbursements)	0	0	0	0
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	10,012	(6,117)	0	3,895
Fund cash balances January 1, 1999	53,779	16,887	0	70,666
Fund cash balances, December 31, 1999	\$63,791	\$10,770	\$0	\$74,561
Reserve for encumbrances, December 31, 1999	\$163	\$0	\$0	\$163

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

**VILLAGE OF CLARKSBURG
ROSS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Enterprise</u>
Operating cash receipts:	
Charges for services	\$122,399
Interest	1,141
	<u>123,540</u>
Total operating cash receipts	
Operating cash disbursements:	
Personal services	28,344
Contractual services	23,108
Supplies and materials	5,977
Capital outlay	13,282
Miscellaneous	898
	<u>71,619</u>
Total operating cash disbursements	
Operating income/(loss)	<u>51,921</u>
Non-operating cash disbursements:	
Debt service	37,572
	<u>37,572</u>
Total non-operating cash disbursements	
Net receipts over/(under) disbursements	<u>14,349</u>
Fund cash balances, January 1, 1999	<u>142,906</u>
Fund cash balances, December 31, 1999	<u>\$157,255</u>
Reserve for encumbrances, December 31, 1999	<u>\$1,035</u>

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

**VILLAGE OF CLARKSBURG
ROSS 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**

	General	Special Revenue	(Memorandum Only) Total
Cash receipts:			
Property taxes	\$7,120	\$785	\$7,905
Intergovernmental	60,351	9,987	70,338
Interest	4,917	141	5,058
Miscellaneous	9,186	0	9,186
Total cash receipts	81,574	10,913	92,487
Cash disbursements:			
Current:			
Security of persons and property	8,190	9,773	17,963
Leisure time activities	1,983	0	1,983
Transportation	0	7,720	7,720
General government	42,881	0	42,881
Capital outlay	15,936	0	15,936
Total program disbursements	68,990	17,493	86,483
Total receipts over/(under) cash disbursements	12,584	(6,580)	6,004
Fund cash balances January 1, 1998	41,195	23,467	64,662
Fund cash balances, December 31, 1998	\$53,779	\$16,887	\$70,666
Reserve for encumbrances, December 31, 1998	\$3,884	\$5,844	\$9,728

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

**VILLAGE OF CLARKSBURG
ROSS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Enterprise</u>
Operating cash receipts:	
Charges for services	\$121,566
Interest	1,102
	<u>122,668</u>
Total operating cash receipts	
Operating cash disbursements:	
Personal services	27,069
Contractual services	19,559
Supplies and materials	3,735
Capital outlay	20,589
Miscellaneous	300
	<u>71,252</u>
Total operating cash disbursements	
Operating income/(loss)	<u>51,416</u>
Non-operating cash disbursements:	
Debt service	37,572
	<u>37,572</u>
Total non-operating cash disbursements	
Net receipts over/(under) disbursements	<u>13,844</u>
Fund cash balances, January 1, 1998	<u>129,062</u>
Fund cash balances, December 31, 1998	<u>\$142,906</u>
Reserve for encumbrances, December 31, 1998	<u>\$13,415</u>

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

VILLAGE OF CLARKSBURG
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 & 1998

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Village of Clarksburg, Ross 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, and park operations (leisure time activities). The Village contracts with the Ross County Sheriff's department to provide security of persons and property.

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 were prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

C. 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 restricted.

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.

COPS FAST Fund - This fund receives grant monies from the federal government to fund additional law enforcement in the Village for 3 years.

Capital Projects Fund

These funds account for financial resources to be used for the construction of major capital facilities (other than those financed by proprietary funds). The Village had the following capital projects fund:

Issue II Paving Grant- This fund received Issue II money for paving of Village streets.

VILLAGE OF CLARKSBURG
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 & 1998

1. Summary of Significant Accounting Policies (Continued)

C. Fund Accounting (Continued)

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 has the following significant enterprise funds:

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

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

D. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

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 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 1. 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. Encumbrances outstanding at year end are carried over and need not be re-appropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

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

	1999	1998
Demand deposits	\$231,816	\$213,572

VILLAGE OF CLARKSBURG
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 & 1998

2. Equity in Pooled Cash and Investments (Continued)
Deposits are insured by the Federal Depository Insurance Corporation and collateralized by securities specifically pledged by the financial institution to the Village.

3. Budgetary Activity
Budgetary activity for the years ending December 31, 1999, and December 31, 1999, were as follows:

1999 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$65,641	\$67,890	\$2,249
Special Revenue	27,971	22,678	(5,293)
Capital Projects	29,179	29,018	(161)
Enterprise	<u>121,275</u>	<u>123,540</u>	<u>2,265</u>
Total	<u>\$244,066</u>	<u>\$243,126</u>	<u>(\$940)</u>

1999 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$83,624	\$58,041	\$25,583
Special Revenue	37,586	28,795	8,791
Capital Projects	<u>29,179</u>	<u>29,018</u>	<u>161</u>
Enterprise	<u>160,289</u>	<u>110,226</u>	<u>50,063</u>
Total	<u>\$310,678</u>	<u>\$226,080</u>	<u>\$84,598</u>

1998 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$74,376	\$81,574	\$7,198
Special Revenue	22,771	10,913	(11,858)
Enterprise	<u>111,750</u>	<u>122,668</u>	<u>10,918</u>
Total	<u>\$208,897</u>	<u>\$215,155</u>	<u>\$6,258</u>

VILLAGE OF CLARKSBURG
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 & 1998

3. Budgetary Activity (Continued)

1998 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$100,157	\$72,874	\$27,283
Special Revenue	27,327	23,337	3,990
Enterprise	<u>151,690</u>	<u>108,824</u>	<u>42,866</u>
Total	<u>\$279,174</u>	<u>\$205,035</u>	<u>\$74,139</u>

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village. 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, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loans	\$336,496	7.55%

The Ohio Water Development Authority (OWDA) loan relates to sewer plant improvement projects that were mandated by the Ohio Environmental Protection Agency. The OWDA has granted a \$414,000 loan to the Village for these projects. The loan will be repaid in semiannual installments of \$18,786.24, including interest, over 25 years.

VILLAGE OF CLARKSBURG
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 & 1998

5. Debt (Continued)

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

Year ending December 31	OWDA Loan
2000	\$37,572
2001	37,572
2002	37,572
2003	37,572
2004	37,572
Subsequent	394,524
Total	\$582,384

6. Retirement Systems

All Village 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 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. For 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.5% of participant's gross salaries. The Village has paid all contributions required through December 31, 1999.

7. Risk Management

The Village is a member of the Public Entities Pool of Ohio (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
- Vehicles

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Report on Compliance and on Internal Control required by Government Auditing Standards

Village Council
Village of Clarksburg
Clarksburg, Ohio 43115

We have audited the accompanying financial statements of the Village of Clarksburg, Ross County, Ohio (the Village), as of and for the years ended December 31, 1999, and December 31, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental 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 *Governmental Auditing Standards*.

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.

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

Michael A. Balestra, CPA, Inc.

Michael A. Balestra, CPA, Inc.

May 5, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF CLARKSBURG

ROSS 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.

By: Susan Babbitt

Date: JUNE 6, 2000