



Dave Yost • Auditor of State

VILLAGE OF BOWERSVILLE
GREENE COUNTY

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Dave Yost • Auditor of State

Village of Bowersville
Greene County
3192 Maysville Street
Bowersville, Ohio 45307

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Village to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 10, 2012

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Bowersville
Greene County
3192 Maysville St
Bowersville, Ohio 45307

To the Village Council

We have audited the accompanying financial statements of the Village of Bowersville, Greene County, (the Village) as of and for the years ended December 31, 2011 and 2010. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio Villages. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2011 and 2010, or its changes in financial position.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Bowersville, Greene County, as of December 31, 2011, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1F, during 2011 the Village of Bowersville adopted Governmental Accounting Standards Board Statement No 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2012, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Dave Yost
Auditor of State

July 10, 2012

**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, 2011**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$27,358	\$5,750	\$33,108
Intergovernmental	9,355	48,550	57,905
Earnings on Investments	25	49	74
Miscellaneous	300		300
Total Cash Receipts	<u>37,038</u>	<u>54,349</u>	<u>91,387</u>
Cash Disbursements:			
Current:			
Security of Persons & Property	4,762		4,762
Leisure Time Activities	1,000		1,000
Community Environment		31,118	31,118
Transportation		17,618	17,618
General Government	29,073	597	29,670
Total Cash Disbursements	<u>34,835</u>	<u>49,333</u>	<u>84,168</u>
Total Receipts Over/(Under) Disbursements	<u>2,203</u>	<u>5,016</u>	<u>7,219</u>
Fund Cash Balance, January 1	<u>35,169</u>	<u>44,104</u>	<u>79,273</u>
Fund Cash Balance, December 31:			
Restricted		49,120	49,120
Unassigned (Deficit)	37,372		37,372
Fund Cash Balance, December 31	<u>\$37,372</u>	<u>\$49,120</u>	<u>\$86,492</u>

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 PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>
	<u>Enterprise</u>	<u>Agency</u>
Operating Cash Receipts:		
Charges for Services	\$34,917	
Fines, Licenses and Permits		\$4,472
Total Operating Cash Receipts	<u>34,917</u>	<u>4,472</u>
Operating Cash Disbursements:		
Personal Services	19,280	
Employee Fringe Benefits	3,046	
Contractual Services	4,788	
Supplies and Materials	3,539	100
Total Operating Cash Disbursements	<u>30,653</u>	<u>100</u>
Operating Income/(Loss)	<u>4,264</u>	<u>4,372</u>
Fund Cash Balance, January 1	<u>23,925</u>	
Fund Cash Balance, December 31	<u><u>\$28,189</u></u>	<u><u>\$4,372</u></u>

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, 2010**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property and Local Taxes	\$26,098	\$2,877	\$28,975
Intergovernmental	7,949	18,464	26,413
Charges for Services	517		517
Fines, Licenses and Permits	113		113
Earnings on Investments	36	258	294
Total Cash Receipts	<u>34,713</u>	<u>21,599</u>	<u>56,312</u>
Cash Disbursements:			
Current:			
Security of Persons & Property	515		515
Transportation		6,599	6,599
General Government	31,609	1,989	33,598
Total Cash Disbursements	<u>32,124</u>	<u>8,588</u>	<u>40,712</u>
Total Receipts Over/(Under) Disbursements	<u>2,589</u>	<u>13,011</u>	<u>15,600</u>
Other Financing (Disbursements):			
Other Financing Uses	(20)		(20)
Total Other Financing(Disbursements)	<u>(20)</u>		<u>(20)</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements And Other Financing	<u>2,569</u>	<u>13,011</u>	<u>15,580</u>
Fund Cash Balance, January 1	<u>32,600</u>	<u>31,093</u>	<u>63,693</u>
Fund Cash Balance, December 31	<u>\$35,169</u>	<u>\$44,104</u>	<u>\$79,273</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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 PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$34,858
Total Operating Cash Receipts	34,858
Operating Cash Disbursements:	
Current:	
Personal Services	19,900
Employee Fringe Benefits	3,145
Contractual Services	7,207
Supplies and Materials	2,367
Other	10
Total Operating Cash Disbursements	32,629
Operating Income/(Loss)	2,229
Fund Cash Balance, January 1	21,696
Fund Cash Balance, December 31	\$23,925
Reserve for Encumbrances, December 31	\$0

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, 2011 AND 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Bowersville, Greene County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government services, including water utilities.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values certificates of deposit at cost.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose 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.

Permissive Motor Vehicle License Tax Fund - This fund is used to account for proceeds for 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, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Community Development Block Grant Fund – This fund is used to account for proceeds of grant funds. Monies are for a street project.

3. Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover water service costs.

4. Fiduciary Funds

Fiduciary funds include agency funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these resources as directed by individuals, organizations or other governments. The Village's agency fund accounts for court fines and distribution of court fines to appropriate distributions.

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, object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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 individual commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance

For December 31, 2011 fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Non-spendable

The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant, and Equipment

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2011	2010
Demand deposits	\$111,453	\$ 95,598
Certificates of deposit	7,600	7,600
Total deposits	\$119,053	\$103,198

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2011, and 2010 follows:

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 29,119	\$ 37,038	\$ 7,919
Special Revenue	50,062	54,349	4,287
Enterprise	34,340	34,917	577
Total	\$113,521	\$126,304	\$12,783

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 55,193	\$ 34,835	\$20,358
Special Revenue	61,868	49,333	12,535
Enterprise	43,800	30,653	13,147
Total	\$160,861	\$114,821	\$46,040

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 54,409	\$34,713	(\$19,696)
Special Revenue	19,737	21,599	1,862
Enterprise	37,000	34,858	(2,142)
Total	\$111,146	\$91,170	(\$19,976)

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 50,330	\$32,144	\$18,186
Special Revenue	33,850	8,588	25,262
Enterprise	43,800	32,629	11,171
Total	\$127,980	\$73,361	\$54,619

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

5. RETIREMENT SYSTEMS

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10%, respectively, of their gross salaries and the Village contributed an amount equaling 14% respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2011.

6. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

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INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village of Bowersville
Greene County
3192 Maysville Street
Bowersville, Ohio 45307

To the Village Council:

We have audited the financial statements of the Village of Bowersville, Greene County, (the Village) as of and for the year ended December 31, 2011 and 2010 and have issued our report thereon dated July 10, 2012 wherein we noted the Village followed accounting practices the Auditor of State prescribes or permits rather than accounting practices generally accepted in the United States of America. We noted the Village adopted the provisions of Government Accounting Standards Board Statement No. 54, *Fund Balance and Governmental Fund Type Definitions* for the year ended December 31, 2011. We also noted the Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Government's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Government's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Government's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2011-001 and 2011-002 described in the accompanying schedule of findings to be material weaknesses.

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Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2011-001.

We did note certain matters not requiring inclusion in this report that we reported to the Government's management in a separate letter dated July 10, 2012.

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, Village Council, and others within the Village. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

July 10, 2012

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2011-001

Noncompliance/Material Weaknesses – Mayor’s Court Distributions

Ohio Rev Code Section 1905.21 provides in part that neither the mayor of a municipal corporation nor a mayor's court magistrate shall retain... any of the fines, forfeitures, fees, or costs he collects... The mayor shall account for and dispose of all such fines, forfeitures, fees and costs he collects as provided in section 733.40 of the Revised Code.

Ohio Rev Code Section 733.40 states that except as provided in section 4511.193 of the Revised Code, all fines, forfeitures and costs in ordinance cases and all fees that are collected by the mayor, that in any manner come into the mayor's hands, or that are due the mayor or a marshal, chief of police, or other officer of the municipal corporation, and other fees and expenses that have been advanced out of the treasury of the municipal corporation, and all money received by the mayor for the use of the municipal corporation shall be paid by the mayor into the treasury of the municipal corporation on the first Monday of each month.

Except as otherwise provided by section 307.515 or 4511.19 of the Revised Code, all fines, and forfeitures collected by the mayor in state cases, together with all fees and expenses collected that have been advanced out of the county treasury, shall be paid by the mayor to the county treasury on the first business day of each month. Except as otherwise provided by section 307.515 or 4511.19 of the Revised Code, the mayor shall pay all court costs and fees collected by the mayor in state cases into the municipal treasury on the first business day of each month.

Ohio Rev. Code 2743.70(A)(2)(b) and 2949.091(A)(1) require that all moneys collected during a month and owed to the state shall be transmitted on or before the twentieth day of the following month by the clerk of the court to the treasurer of the state.

The mayor’s court clerk only recorded four transactions in the mayor’s court receipt book and did not perform monthly bank reconciliations. The mayor’s court did not have a schedule of fines, costs and allocations, nor did they include the section number of the Ohio Revised Code that was violated in the docket.

The entire agency type fund balance of \$4,372 was comprised of the mayor’s court. The mayor should have paid all fees, fines and costs in ordinance cases (ie, cases in which an individual is issued a citation due to violation of a Village ordinance) to the treasury of the Village of Bowersville. All fees, fines and costs in state cases (ie. cases in which an individual is issued a citation due to a violation of a statute) should have been paid to the county treasury.

Every transaction should be posted to the receipt book. A schedule of fines, costs, and allocations should be created and maintained with the Ohio Revised section violated included in the docket for each case. The mayor’s court should then use those Ohio Revised Code sections in order to determine their monthly distributions to the Village, County Treasury or State Treasurer. The bank account should also be reconciled on a monthly basis. Lastly, the Village should review the operations of the mayor’s court to determine whether to continue the court or formally disband it.

Official’s Response:

The fiscal officer did not have any part in the record keeping for the mayor’s court. All records of the mayor’s court were handled by the mayor’s court clerk.

FINDING NUMBER 2011-002

Material Weakness – Posting of Revenues

In 2011, the Village was the recipient of an on-behalf Community Development Block Grant that was handled by Greene County. Payments of \$31,118 were made directly to the vendor by the County, but the revenue and expenditure were not recorded on Village books or financial statements. This amount doubled the revenue and expenditures, so an audit adjustment of \$31,118 was made to both the revenues and expenditures in the Special Revenue Fund Type and is reflected in the accompanying financial statements.

The Village should review Auditor of State Bulletin 2000-008 which outlines the Accounting for Cash Basis Local Government Participation in On-Behalf Grants or Improvement Projects. In addition, the Village should develop procedures for periodic monitoring and reviewing of the financial records to determine the accuracy of the reporting of these revenues and expenditures in their records and financial statements.

Official's Response:

The fiscal officer realized that the grant money should have been recorded after she attended a conference in 2012.



Dave Yost • Auditor of State

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
AUGUST 16, 2012**