



**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2001-2000



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, PO Box 306
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, 2000 and 2001. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Bowersville, Greene County as of December 31, 2000 and 2001, 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 12, 2002 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 12, 2002

**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, 2001**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property Tax and Other Local Taxes	\$9,002	\$7,454		\$16,456
Intergovernmental Receipts	11,599	7,981	22,312	41,892
Charges for Services	365			365
Fines, Licenses, and Permits	346			346
Earnings on Investments	775	337		1,112
Miscellaneous	1,029			1,029
	23,116	15,772	22,312	61,200
Total Cash Receipts				
Cash Disbursements:				
Current:				
Transportation		20,307		20,307
General Government	25,181	93		25,274
Capital Outlay			22,312	22,312
	25,181	20,400	22,312	67,893
Total Cash Disbursements				
Total Receipts (Under) Disbursements	(2,065)	(4,628)		(6,693)
Other Financing Receipts/(Disbursements):				
Sale of Land	10,000			10,000
Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	7,935	(4,628)		3,307
Fund Cash Balances, January 1, 2001	6,221	20,008		26,229
Fund Cash Balances, December 31, 2001	\$14,156	\$15,380	\$0	\$29,536
Reserves for Encumbrances, December 31, 2001		\$1,130		\$1,130

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
CHANGES IN FUND CASH BALANCE - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	\$27,267
Miscellaneous	<u>1,738</u>
Total Operating Cash Receipts	<u>29,005</u>
Operating Cash Disbursements:	
Personal Services	14,782
Fringe Benefits	2,495
Contractual Services	11,810
Supplies and Materials	<u>2,842</u>
Total Operating Cash Disbursements	<u>31,929</u>
Operating (Loss)	(2,924)
Fund Cash Balance, January 1, 2001	<u>16,632</u>
Fund Cash Balance, December 31, 2001	<u><u>\$13,708</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, 2000**

	<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	\$8,774	\$2,664		\$11,438
Intergovernmental Receipts	11,767	8,726	75,419	95,912
Charges for Services	1,029			1,029
Fines, Licenses, and Permits	180			180
Earnings on Investments	729	392		1,121
Miscellaneous	2,469	2,356		4,825
Total Cash Receipts	<u>24,948</u>	<u>14,138</u>	<u>75,419</u>	<u>114,505</u>
Cash Disbursements:				
Current:				
Transportation		10,587		10,587
General Government	28,821	1,703		30,524
Capital Outlay			94,613	94,613
Total Cash Disbursements	<u>28,821</u>	<u>12,290</u>	<u>94,613</u>	<u>135,724</u>
Total Receipts Over/(Under) Disbursements	(3,873)	1,848	(19,194)	(21,219)
Other Financing Receipts/(Disbursements):				
Advances-In	2,000	2,000		4,000
Advances-Out	(2,000)	(2,000)		(4,000)
Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(3,873)	1,848	(19,194)	(21,219)
Fund Cash Balances January 1, 2000	<u>10,094</u>	<u>18,160</u>	<u>19,194</u>	<u>47,448</u>
Fund Cash Balances, December 31, 2000	<u><u>\$6,221</u></u>	<u><u>\$20,008</u></u>	<u><u>\$0</u></u>	<u><u>\$26,229</u></u>
Reserves for Encumbrances, December 31, 2000		<u><u>\$750</u></u>		<u><u>\$750</u></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
CHANGES IN FUND CASH BALANCE - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	<u>\$28,934</u>
Operating Cash Disbursements:	
Personal Services	13,160
Fringe Benefits	2,396
Contractual Services	5,391
Supplies and Materials	<u>2,293</u>
Total Operating Cash Disbursements	<u>23,240</u>
Operating Income	5,694
Fund Cash Balance, January 1, 2000	<u>10,938</u>
Fund Cash Balance, December 31, 2000	<u><u>\$16,632</u></u>
Reserve for Encumbrances, December 31, 2000	<u><u>\$174</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, 2001 AND 2000**

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 government 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

Investments are included in fund cash balances. 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.

Certificates of deposit are valued 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 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 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, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

State Highway Fund - This fund receives gasoline tax money for constructing, maintaining and repairing State highways.

3. Capital Projects 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 projects funds:

Issue II - Storm Sewer Fund - This fund is utilized to account for receipts and disbursements for storm sewer construction. The majority of this activity is on behalf of payments made by the Ohio Public Works Commission.

Phase II Fund - This fund reports monies spent on behalf of the Village for Community Development Block Grant monies that were awarded to the Village. These monies are used to repair streets and curbs in the Village.

Grant Construction Fund - This fund reports monies spent on behalf of the Village for Community Development Block Grant monies that were awarded to the Village. These monies are used to repair streets and curbs in the Village.

4. Enterprise Fund

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.

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2001 and 2000 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 investment 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:

	2001	2000
Demand deposits	\$30,244	\$27,861
Certificates of deposit	13,000	15,000
Total deposits	\$43,244	\$42,861

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2000 and 2001 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$34,523	\$33,116	(\$1,407)
Special Revenue	14,184	15,772	1,588
Capital Projects	22,312	22,312	0
Enterprise	25,250	29,005	3,755
Total	\$96,269	\$100,205	\$3,936

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$40,700	\$25,181	\$15,519
Special Revenue	28,246	21,530	6,716
Capital Projects	22,312	22,312	0
Enterprise	34,528	31,929	2,599
Total	<u>\$125,786</u>	<u>\$100,952</u>	<u>\$24,834</u>

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$24,718	\$26,948	\$2,230
Special Revenue	9,097	16,138	7,041
Capital Projects	75,419	75,419	0
Enterprise	25,000	28,934	3,934
Total	<u>\$134,234</u>	<u>\$147,439</u>	<u>\$13,205</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$32,000	\$30,821	\$1,179
Special Revenue	19,900	15,040	4,860
Capital Projects	94,613	94,613	0
Enterprise	25,041	23,414	1,627
Total	<u>\$171,554</u>	<u>\$163,888</u>	<u>\$7,666</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.

**VILLAGE OF BOWERSVILLE
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. RETIREMENT SYSTEMS

The Village's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS are cost-sharing, multiple-employer plan. This plan 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. For 2001 and 2000, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of PERS participants' gross salaries through June 30, 2000. Commencing July 1, 2000, PERS temporarily reduced employer contributions to 8.13%. The Village has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

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, principally the federal government. 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 , PO Box 306
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 years ended December 31, 2000 and 2001, and have issued our report thereon dated April 12, 2002. 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 *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 April 12, 2002.

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 12, 2002.

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

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

Jim Petro
Auditor of State

April 12, 2002



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
MAY 9, 2002**