



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF OWENSVILLE
CLERMONT COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

Village of Owensville
Clermont County
115 W. Main Street
Owensville, Ohio 45160

To the Village Council:

We have audited the accompanying financial statements of the Village of Owensville, Clermont County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, as listed in the table of contents. 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 of Owensville, Clermont County, Ohio, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2001, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, Village Council and other officials authorized to receive this report under Section 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

June 5, 2001

VILLAGE OF OWENSVILLE
CLERMONT 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>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:			
Property tax and other local taxes	\$32,363	\$42,040	\$74,403
Intergovernmental receipts	142,473	27,076	169,549
Charges for services		416,666	416,666
Fines, licenses, and permits	49,155	7,110	56,265
Earnings on investments	24,877	3,466	28,343
Miscellaneous	9,611	33,846	43,457
	<u>258,479</u>	<u>530,204</u>	<u>788,683</u>
Total cash receipts			
Cash disbursements:			
Current:			
Security of persons and property	86,618	287,009	373,627
Public health services	1,745		1,745
Leisure time activities	3,873		3,873
Transportation		6,182	6,182
General government	117,824	477	118,301
Capital outlay	15,579	78,714	94,293
	<u>225,639</u>	<u>372,382</u>	<u>598,021</u>
Total disbursements			
Total receipts over/(under) disbursements	<u>32,840</u>	<u>157,822</u>	<u>190,662</u>
Other financing receipts/(disbursements):			
Other uses	<u>(1,713)</u>	<u>(15,786)</u>	<u>(17,499)</u>
Total other financing receipts/(disbursements)	<u>(1,713)</u>	<u>(15,786)</u>	<u>(17,499)</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	31,127	142,036	173,163
Fund cash balances, January 1	<u>171,920</u>	<u>314,909</u>	<u>486,829</u>
Fund cash balances, December 31	<u>\$203,047</u>	<u>\$456,945</u>	<u>\$659,992</u>
Reserves for encumbrances, December 31	<u>\$0</u>	<u>\$102,440</u>	<u>\$102,440</u>

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

VILLAGE OF OWENSVILLE
CLERMONT COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Agency</u>
Non-operating cash receipts:	
Other non-operating receipts	<u>\$70,485</u>
Total non-operating cash receipts	<u>70,485</u>
Non-operating cash disbursements:	
Other non-operating cash disbursements	<u>70,590</u>
Net receipts over/(under) disbursements	(105)
Fund cash balances, January 1	<u>1,024</u>
Fund cash balances, December 31	<u><u>\$919</u></u>

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

VILLAGE OF OWENSVILLE
CLERMONT 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	Totals (Memorandum Only)
Cash receipts:			
Property tax and other local taxes	\$27,896	\$39,151	\$67,047
Intergovernmental receipts	141,485	30,004	171,489
Charges for services	0	431,666	431,666
Fines, licenses, and permits	48,605	7,032	55,637
Earnings on investments	7,324	1,606	8,930
Miscellaneous	10,607	31,287	41,894
Total cash receipts	235,917	540,746	776,663
Cash disbursements:			
Current:			
Security of persons and property	89,389	274,834	364,223
Public health services	1,632	0	1,632
Transportation	0	4,283	4,283
General government	122,985	8,150	131,135
Capital outlay	24,363	200,080	224,443
Total disbursements	238,369	487,347	725,716
Total receipts over/(under) disbursements	(2,452)	53,399	50,947
Other financing receipts/(disbursements):			
Other uses	(7,934)	(12,938)	(20,872)
Transfers-in	0	100	100
Transfers-out	(100)	0	(100)
Total other financing receipts/(disbursements)	(8,034)	(12,838)	(20,872)
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(10,486)	40,561	30,075
Fund cash balances, January 1	182,406	274,348	456,754
Fund cash balances, December 31	\$171,920	\$314,909	\$486,829

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

VILLAGE OF OWENSVILLE
CLERMONT COUNTY

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

	<u>Agency</u>
Non-operating cash receipts:	
Other non-operating receipts	<u>\$71,489</u>
Total non-operating cash receipts	<u>71,489</u>
Non-operating cash disbursements:	
Other non-operating cash disbursements	<u>71,369</u>
Total non-operating cash disbursements	<u>\$71,369</u>
Net receipts over/(under) disbursements	120
Fund cash balances, January 1	<u>904</u>
Fund cash balances, December 31	<u><u>\$1,024</u></u>

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

**VILLAGE OF OWENSVILLE
CLERMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Owensville, Clermont County, Ohio (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, fire, emergency and police services.

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 Deposits

The Village maintains all funds in an interest bearing checking account.

D. Fund Accounting

The Village uses fund accounting to segregate cash and deposits 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 that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

Fire/Rescue Fund - This fund receives money from other governmental entities for providing fire and rescue services.

**VILLAGE OF OWENSVILLE
CLERMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fiduciary Funds (Agency Funds)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following agency funds:

Agency Fund - Unclaimed monies are receipted into this fund.

Mayor's Court - This fund collects and distributes court fines to the Village and the State. The open items at the end of the period make up the fund balance.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Village.

**VILLAGE OF OWENSVILLE
CLERMONT COUNTY**

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

2. EQUITY IN POOLED CASH AND DEPOSITS

The Village maintains a checking account. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ <u>660,911</u>	\$ <u>487,853</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 255,894	\$ 258,479	\$ 2,585
Special Revenue	<u>529,886</u>	<u>530,204</u>	<u>318</u>
Total	<u>\$ 785,780</u>	<u>\$ 788,683</u>	<u>\$ 2,903</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 437,853	\$ 227,352	\$ 210,501
Special Revenue	<u>844,873</u>	<u>490,608</u>	<u>354,265</u>
Total	<u>\$ 1,282,726</u>	<u>\$ 717,960</u>	<u>\$ 564,766</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 235,917	\$ 235,917	\$ 0
Special Revenue	<u>540,611</u>	<u>540,846</u>	<u>(235)</u>
Total	<u>\$ 776,528</u>	<u>\$ 776,763</u>	<u>\$ (235)</u>

**VILLAGE OF OWENSVILLE
CLERMONT COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 398,804	\$ 246,403	\$ 152,401
Special Revenue	731,190	500,285	230,905
Total	\$ 1,129,994	\$ 746,688	\$ 383,306

4. PROPERTY TAX

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEMS

The Village's law enforcement officers and firefighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement, healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 10.84% for 2000 and 13.55% for 1999 of participants' gross salaries. The Village has paid all contributions required through December 31, 2000.

**VILLAGE OF OWENSVILLE
CLERMONT COUNTY**

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

6. RISK MANAGEMENT

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

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

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

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

Village of Owensville
Clermont County
115 W. Main Street
Owensville, Ohio 45160

To the Village Council:

We have audited the accompanying financial statements of the Village of Owensville, Clermont County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 5, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that 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 5, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated June 5, 2001.

Village of Owensville
Clermont County
Report 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 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

June 5, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF OWENSVILLE

CLERMONT 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 3, 2001**