



**Auditor of State  
Betty Montgomery**



VILLAGE OF BRIDGEPORT  
BELMONT COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Village of Bridgeport  
Belmont County  
301 Main Street  
Bridgeport, Ohio 43912

To the Village Council:

We have audited the accompanying financial statements of the Village of Bridgeport, Belmont County, Ohio (the Village), as of and for the years ended December 31, 2002 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 Bridgeport, Belmont County, as of December 31, 2002 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 February 14, 2003, 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 the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

February 14, 2003

**VILLAGE OF BRIDGEPORT  
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$154,605	\$31,384	\$	\$185,989
Intergovernmental Receipts	182,295	121,687		303,982
Charges for Services	142,710	26,663		169,373
Fines, Licenses, and Permits	44,981			44,981
Earnings on Investments	15,385	273		15,658
Miscellaneous	43,820	1,830		45,650
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	583,796	181,837	0	765,633
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	401,496	31,867		433,363
Public Health Services	7,938	2,172		10,110
Leisure Time Activities	6,870			6,870
Basic Utility Services	99,842			99,842
Transportation	17,030	158,149	634	175,813
General Government	105,136			105,136
Debt Service:				
Principal Payments		11,253		11,253
Interest Payments		8,747		8,747
Capital Outlay		189,735		189,735
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	638,312	401,923	634	1,040,869
Total Cash Receipts (Under) Cash Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	(54,516)	(220,086)	(634)	(275,236)
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In		35,000		35,000
Transfers-Out	(37,000)			(37,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(37,000)	35,000	0	(2,000)
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	(91,516)	(185,086)	(634)	(277,236)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	292,723	250,895	1,690	545,308
<b>Fund Cash Balances, December 31</b>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>\$201,207</b>	<b>\$65,809</b>	<b>\$1,056</b>	<b>\$268,072</b>
Reserves for Encumbrances, December 31	<hr/>	<hr/>	<hr/>	<hr/>
	\$4,964	\$313	\$0	\$5,277

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

**VILLAGE OF BRIDGEPORT  
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Proprietary Fund Types	Fiduciary Fund Types	Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$534,893	\$	\$534,893
Miscellaneous	2,164	128	2,292
Total Operating Cash Receipts	<u>537,057</u>	<u>128</u>	<u>537,185</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	163,566		163,566
Contractual Services	52,481		52,481
Supplies and Materials	178,450		178,450
Capital Outlay	1,444,148		1,444,148
Total Operating Cash Disbursements	<u>1,838,645</u>	<u>0</u>	<u>1,838,645</u>
Operating Income/(Loss)	<u>(1,301,588)</u>	<u>128</u>	<u>(1,301,460)</u>
<b>Non-Operating Cash Receipts:</b>			
OWDA Loan Proceeds	1,444,148		1,444,148
Total Non-Operating Cash Receipts	<u>1,444,148</u>	<u>0</u>	<u>1,444,148</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	70,950		70,950
Other Non-Operating Cash Disbursements	3,588		3,588
Total Non-Operating Cash Disbursements	<u>74,538</u>	<u>0</u>	<u>74,538</u>
Excess of Receipts Over Disbursements Before Interfund Transfers	68,022	128	68,150
Transfers-In	2,000		2,000
Net Receipts Over Disbursements	70,022	128	70,150
Fund Cash Balances, January 1	129,162	29,808	158,970
<b>Fund Cash Balances, December 31</b>	<b><u>\$199,184</u></b>	<b><u>\$29,936</u></b>	<b><u>\$229,120</u></b>
Reserve for Encumbrances, December 31	<u>\$9,428</u>	<u>\$0</u>	<u>\$9,428</u>

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



**VILLAGE OF BRIDGEPORT  
BELMONT 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**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$153,038	\$30,277	\$	\$183,315
Intergovernmental Receipts	202,251	81,754		284,005
Charges for Services	145,639	30,881		176,520
Fines, Licenses, and Permits	39,041			39,041
Earnings on Investments	25,594	647		26,241
Miscellaneous	58,298	4,234		62,532
<b>Total Cash Receipts</b>	<u>623,861</u>	<u>147,793</u>	<u>0</u>	<u>771,654</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	377,101	88,172		465,273
Public Health Services	8,537	5,740		14,277
Leisure Time Activities	7,504			7,504
Basic Utility Services	112,189	64,891		177,080
Transportation	16,881	113,552	422	130,855
General Government	107,720			107,720
<b>Total Cash Disbursements</b>	<u>629,932</u>	<u>272,355</u>	<u>422</u>	<u>902,709</u>
<b>Total Cash Receipts (Under) Cash Disbursements</b>	<u>(6,071)</u>	<u>(124,562)</u>	<u>(422)</u>	<u>(131,055)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Loan Proceeds		175,998		175,998
Transfers-In		30,000		30,000
Transfers-Out	(32,000)			(32,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(32,000)</u>	<u>205,998</u>	<u>0</u>	<u>173,998</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(38,071)</u>	<u>81,436</u>	<u>(422)</u>	<u>42,943</u>
<b>Fund Cash Balances, January 1</b>	<u>330,794</u>	<u>169,459</u>	<u>2,112</u>	<u>502,365</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$292,723</b></u>	<u><b>\$250,895</b></u>	<u><b>\$1,690</b></u>	<u><b>\$545,308</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$5,129</b></u>	<u><b>\$10,872</b></u>	<u><b>\$0</b></u>	<u><b>\$16,001</b></u>

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

**VILLAGE OF BRIDGEPORT  
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$453,251	\$	\$453,251
Miscellaneous	30,459	470	30,929
Total Operating Cash Receipts	<u>483,710</u>	<u>470</u>	<u>484,180</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	169,483		169,483
Contractual Services	32,097		32,097
Supplies and Materials	171,655		171,655
Capital Outlay	808,716		808,716
Total Operating Cash Disbursements	<u>1,181,951</u>	<u>0</u>	<u>1,181,951</u>
Operating Income/(Loss)	<u>(698,241)</u>	<u>470</u>	<u>(697,771)</u>
<b>Non-Operating Cash Receipts:</b>			
OWDA Loan Proceeds	796,176		796,176
Total Non-Operating Cash Receipts	<u>796,176</u>	<u>0</u>	<u>796,176</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	71,350		71,350
Other Non-Operating Cash Disbursements	3,208		3,208
Total Non-Operating Cash Disbursements	<u>74,558</u>	<u>0</u>	<u>74,558</u>
Excess of Receipts Over Disbursements Before Interfund Transfers	23,377	470	23,847
Transfers-In	2,000		2,000
Net Receipts Over Disbursements	25,377	470	25,847
Fund Cash Balances, January 1	103,785	29,338	133,123
<b>Fund Cash Balances, December 31</b>	<b><u>\$129,162</u></b>	<b><u>\$29,808</u></b>	<b><u>\$158,970</u></b>
Reserve for Encumbrances, December 31	<u>\$6,358</u>	<u>\$0</u>	<u>\$6,358</u>

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

**VILLAGE OF BRIDGPORT  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Bridgeport, Belmont 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 water and sewer utilities, park operations, and police and fire services. The Village is involved with the Bel-O-Mar Regional Council and Eastern Ohio Regional Transit Authority which are defined as jointly governed organizations. Additional information concerning the jointly governed organizations as presented in Note 9.

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**

Certificates of deposit are valued at cost.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash that is 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 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.

*Ambulance Levy Fund* - This fund receives property tax revenues for the purchase of an ambulance.

VILLAGE OF BRIDGEPORT  
BELMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

*Sanitation Packer Levy Fund* - This fund receives property tax revenues for the purchase of a sanitation packer.

3. Capital Projects Fund

This fund is 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 Fund:

*Ohio Public Works Sewer Replacement Project Fund* - This fund receives Ohio Public Works monies for the replacement of sewer lines.

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 Funds:

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

*Water Plant Upgrade Project Fund* - This fund receives loan proceeds from the Ohio Water Development Authority to finance the construction of improvements to the water treatment plant. This loan will be repaid from a water surcharge, also accounted for in this fund.

5. Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Village had the following significant Fiduciary Fund:

*Weeks' Cemetery Perpetual Care Fund* - This fund receives a portion of cemetery lot sales for the maintenance and upkeep of the cemetery.

**VILLAGE OF BRIDGEPORT  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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 2002 and 2001 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. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

**2. EQUITY IN POOLED CASH**

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:

	<u>2002</u>	<u>2001</u>
Demand deposits	\$146,079	\$354,040
Certificates of deposit	351,113	350,238
Total deposits	<u>\$497,192</u>	<u>\$704,278</u>

**VILLAGE OF BRIDGEPORT  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**2. EQUITY IN POOLED CASH (Continued)**

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Village.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001, follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$503,044	\$583,796	\$80,752
Special Revenue	246,952	216,837	(30,115)
Capital Projects	1,690	0	(1,690)
Enterprise	2,586,086	1,983,205	(602,881)
Fiduciary	200	128	(72)
Total	\$3,337,972	\$2,783,966	(\$554,006)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$763,912	\$680,276	\$83,636
Special Revenue	445,613	402,236	43,377
Capital Projects	1,690	634	1,056
Enterprise	2,620,236	1,922,611	697,625
Total	\$3,831,451	\$3,005,757	\$825,694

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$487,586	\$623,861	\$136,275
Special Revenue	413,243	353,791	(59,452)
Capital Projects	2,112	0	(2,112)
Enterprise	3,064,277	1,281,886	(1,782,391)
Fiduciary	200	470	270
Total	\$3,967,418	\$2,260,008	(\$1,707,410)

**VILLAGE OF BRIDGEPORT  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$752,381	\$667,061	\$85,320
Special Revenue	556,161	283,227	272,934
Capital Projects	2,112	422	1,690
Enterprise	3,123,484	1,262,867	1,860,617
Total	\$4,434,138	\$2,213,577	\$2,220,561

**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 payments, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

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, 2002, was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$2,240,324	1.50%
General Obligation Note/Installment Loan	164,745	4.97%
Mortgage Revenue Bonds	810,000	5.00%
Total	\$3,215,069	

The Ohio Water Development Authority (OWDA) loan relates to a water plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$2,560,000 in loans to the Village for this project. The loan will be repaid in semiannual installments of \$61,917, including interest, over 25 years beginning January 1, 2003. The scheduled payment assumes that \$2,560,000 will be borrowed. The scheduled payment will be adjusted to reflect any revisions in amounts actually borrowed. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

**VILLAGE OF BRIDGEPORT  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**5. DEBT (Continued)**

The General Obligation Note/Installment Loan was issued for the purchase of a new fire truck. This loan will be repaid in annual installments of \$20,000, including interest, over 12 years. The Village has pledged the fire truck as security for the loan.

In April, 1978, the Village issued notes totaling \$1,270,000 and used the proceeds to improve its water system. The notes are being amortized over 40 years with annual installments of principal and interest. The Village has pledged water receipts as security for the loan.

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

Year ending December 31:	<u>OWDA Loan</u>	<u>General Obligation Notes</u>	<u>Mortgage Revenue Bonds</u>
2003	\$123,833	\$20,000	\$73,950
2004	123,833	20,000	75,200
2005	123,833	20,000	75,300
2006	123,833	20,000	73,300
2007	123,833	20,000	73,300
2008-2012	619,166	117,195	376,600
2013-2017	619,166		382,750
2018-2022	619,166		84,100
2013-2027	557,249		
Total	<u>\$3,033,912</u>	<u>\$217,195</u>	<u>\$1,214,500</u>

**6. RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide 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 2002 and 2001, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Village has paid all contributions required through December 31, 2002.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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



**VILLAGE OF BRIDGEPORT  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**8. CONTINGENT LIABILITIES**

The Village is a defendant in a lawsuit. Although the outcome of this suit is not presently determinable, management believes that the resolution of this matter will not materially adversely affect the Village's financial condition.

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.

**9. JOINTLY GOVERNED ORGANIZATIONS**

- A. *Bel-O-Mar Regional Council* is operated as a non-profit organization formed to provide planning and administrative services to all local governments in a four county region comprised of Belmont County, Ohio, and three counties in West Virginia. The governing board is comprised of 58 officials from the four county service area of which three members and one alternate member are appointed by each local government within Belmont County. The Mayor of the Village of Bridgeport serves as the Village's representative on the board and a Councilman serves as the Village's alternate. The Council is not dependent upon the Village of Bridgeport for its continued existence, no debt exists, and the Village does not maintain an equity interest.
  
- B. *Eastern Ohio Regional Transit Authority* was established to provide transportation to the residents of the Ohio Valley and is statutorily created as a separate and distinct political subdivision of the State. The Authority is operated by a board of directors that is appointed by the nine Mayors of the municipalities served by the Authority. The continued existence of the Authority is not dependent on the Village's continued participation and no equity interest exists for which the Village is responsible.

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**Auditor of State  
Betty Montgomery**

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

Village of Bridgeport  
Belmont County  
301 Main Street  
Bridgeport, Ohio 43912

To the Village Council:

We have audited the accompanying financial statements of the Village of Bridgeport, Belmont County, Ohio (the Village), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated February 14, 2003. 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 February 14, 2003.

**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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 2002-31007-001 and 2002-31007-002.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also 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 February 14, 2003.

This report is intended for the information and use of the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

February 14, 2003

**VILLAGE OF BRIDGEPORT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2002-31007-001**

**Reportable Condition - Posting of Receipts**

Receipts should be posted to the fund and line item accounts as established by the Ohio Administrative Code 117-9-01.

Debt proceeds, intergovernmental revenues and miscellaneous revenues were not posted into the correct receipt classification, based on the source of receipt. As a result, reclassifications to the financial statements were required.

We recommend the Clerk/Treasurer consult Ohio Administrative Code Section 117-9-01 and/or the Village Officer's Handbook when monies are received, to help ensure these transactions are posted to the correct receipt classifications.

**FINDING NUMBER 2002-31007-001**

**Reportable Condition - Posting Budgetary Amounts**

Appropriations as approved by Village Council and estimated receipts as approved by the County Budget Commission should be entered into the Village's appropriations and receipts ledgers, respectively.

The Village Clerk/Treasurer did not accurately post appropriations and estimated receipts in the appropriations and receipts ledgers. Because the information posted to the ledgers was inaccurate, Village management was unable to effectively monitor budget versus actual activity. Adjustments were made to the budgetary activity reported in Note 3 to the financial statements in order to accurately present appropriations as approved by Village Council and estimated receipts as certified by the County Budget Commission.

To help ensure more useful comparisons of budget verses actual activity, we recommend the Village Clerk/Treasurer post appropriations and estimated receipts to the respective ledgers, as approved by Village Council and certified by the County Budget Commission.





**Auditor of State  
Betty Montgomery**

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**VILAGE OF BRIDGEPORT**

**BELMONT 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  
APRIL 17, 2003**