



**Auditor of State  
Betty Montgomery**



VILLAGE OF BOWERSVILLE  
GREENE COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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, 2002 and 2003. 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.

The Village's financial transactions were processed using 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 conduct the audit of 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(B) and 115.56 mandate the Auditor of State to audit Ohio governments.

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 of the Village as of December 31, 2002 and 2003, 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 8, 2004 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.

Village of Bowersville  
Greene County  
Independent Accountants' Report  
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This report is intended solely for the information and use of the audit committee, management, 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

April 8, 2004

**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, 2003**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$18,539	\$2,150	\$20,689
Intergovernmental Receipts	10,538	8,845	19,383
Charges for Services	125		125
Fines, Licenses, and Permits	344		344
Earnings on Investments	92	70	162
Miscellaneous	90		90
	<hr/>		
Total Cash Receipts	<u>29,728</u>	<u>11,065</u>	<u>40,793</u>
<b>Cash Disbursements:</b>			
Basic Utility Services	2,300		2,300
Transportation		9,551	9,551
General Government	24,652	3,167	27,819
	<hr/>		
Total Cash Disbursements	<u>26,952</u>	<u>12,718</u>	<u>39,670</u>
Total Receipts Over/(Under) Disbursements	2,776	(1,653)	1,123
<b>Other Financing (Disbursements)</b>			
Advances-Out	(3,069)		(3,069)
	<hr/>		
Excess of Cash Receipts (Under) Cash Disbursements and Other Financing (Disbursements)	(293)	(1,653)	(1,946)
Fund Cash Balances, January 1	<u>12,665</u>	<u>12,391</u>	<u>25,056</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$12,372</u></u>	<u><u>\$10,738</u></u>	<u><u>\$23,110</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 BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$29,943
<b>Operating Cash Disbursements:</b>	
Personal Services	15,756
Fringe Benefits	2,696
Contractual Services	10,188
Supplies and Materials	4,757
Capital Outlay	13,000
Total Operating Cash Disbursements	46,397
Operating (Loss)	(16,454)
<b>Non-Operating Cash Receipts:</b>	
Intergovernmental Receipts	9,930
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(6,524)
Advances-In	3,070
Net Receipts Over/(Under) Disbursements	(3,454)
Fund Cash Balances, January 1	9,499
<b>Fund Cash Balances, December 31</b>	<b>\$6,045</b>

*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, 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	\$12,007	\$4,335		\$16,342
Intergovernmental Receipts	10,538	7,993	55,186	73,717
Charges for Services	150			150
Fines, Licenses, and Permits	331			331
Earnings on Investments	190	93		283
Miscellaneous	645			645
	<u>23,861</u>	<u>12,421</u>	<u>55,186</u>	<u>91,468</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Transportation	30	10,317		10,347
General Government	25,322	93		25,415
Capital Outlay			60,186	60,186
	<u>25,352</u>	<u>10,410</u>	<u>60,186</u>	<u>95,948</u>
<b>Total Cash Disbursements</b>				
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(1,491)</u>	<u>2,011</u>	<u>(5,000)</u>	<u>(4,480)</u>
<b>Other Financing Receipts and (Disbursements)</b>				
Transfers-In			5,000	5,000
Transfers-Out		(5,000)		(5,000)
		<u>(5,000)</u>	<u>5,000</u>	
<b>Total Other Financing Receipts/(Disbursements)</b>				
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(1,491)</u>	<u>(2,989)</u>		<u>(4,480)</u>
<b>Fund Cash Balances, January 1</b>	<u>14,156</u>	<u>15,380</u>		<u>29,536</u>
<b>Fund Cash Balances, December 31</b>	<u>\$12,665</u>	<u>\$12,391</u>	<u>\$0</u>	<u>\$25,056</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 BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Enterprise</u>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$25,792
<b>Operating Cash Disbursements:</b>	
Personal Services	14,597
Fringe Benefits	2,476
Contractual Services	9,385
Supplies and Materials	<u>3,543</u>
Total Operating Cash Disbursements	<u>30,001</u>
Operating (Loss)	(4,209)
Fund Cash Balances, January 1	<u>13,708</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$9,499</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, 2003 AND 2002**

**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, 2003 AND 2002  
(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 Project 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 project 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.

**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.

**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.

**VILLAGE OF BOWERSVILLE  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2003 and 2002 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 investments 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:

	<b>2003</b>	<b>2002</b>
Demand deposits	\$22,155	\$22,555
Certificates of deposit	7,000	12,000
Total deposits	\$29,155	\$34,555

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

<b>2003 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$28,998	\$29,728	\$730
Special Revenue	20,343	11,065	(9,278)
Enterprise	46,013	39,873	(6,140)
Total	\$95,354	\$80,666	(\$14,688)

<b>2003 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$31,601	\$26,952	\$4,649
Special Revenue	20,757	12,718	8,039
Enterprise	47,980	46,397	1,583
Total	\$100,338	\$86,067	\$14,271

**VILLAGE OF BOWERSVILLE  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>2002 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$23,141	\$23,861	\$720
Special Revenue	6,728	12,421	5,693
Capital Projects	57,687	60,186	2,499
Enterprise	25,503	25,792	289
Total	\$113,059	\$122,260	\$9,201

<b>2002 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$29,292	\$25,352	\$3,940
Special Revenue	26,749	15,410	11,339
Capital Projects	57,686	60,186	(2,500)
Enterprise	39,001	30,001	9,000
Total	\$152,728	\$130,949	\$21,779

**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.

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 part-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS are cost-sharing, multiple-employer plan. This plan provides 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 2003 and 2002, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of PERS participants' gross salaries for 2002 and 2003. The Village has paid all contributions required through December 31, 2003.

**VILLAGE OF BOWERSVILLE  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**6. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

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

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**Auditor of State  
Betty Montgomery**

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

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, 2002 and 2003, and have issued our report thereon dated April 8, 2004. 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 8, 2004.

**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 March 24, 2004.

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

This report is intended solely for the information and use of the audit committee, management and 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

March 24, 2004



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

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800-282-0370

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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 11, 2004**