

VILLAGE OF ROSWELL
FINANCIAL STATEMENTS
Years Ended December 31, 1999 and 1998

Laura J. MacDonald, CPA, Inc.
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Medina, Ohio 44256



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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To the Village Council
Village of Roswell
5198 Main Street NE
New Philadelphia, Ohio 44663

We have reviewed the independent auditor's report of the Village of Roswell, Tuscarawas County, prepared by Laura J. MacDonald, CPA, Inc., for the audit period January 1, 1998 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Roswell is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro", is written over a horizontal line.

JIM PETRO
Auditor of State

August 15, 2000

**VILLAGE OF ROSWELL
FINANCIAL STATEMENTS
Years Ended December 31, 1999 and 1998**

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INDEPENDENT AUDITOR'S REPORT

To the Village Council
Village of Roswell
Tuscarawas County
5198 Main Street, Northeast
New Philadelphia, Ohio 44663

I have audited the accompanying financial statements of the Village of Roswell, Tuscarawas County, Ohio (the Village) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits 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 I plan and perform the audits 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. I believe that my audits provide a reasonable basis for my 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 my 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 as of December 31, 1999 and 1998, 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, I have also issued a report dated June 7, 2000 on my consideration of the Village's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of Village Council, management and other officials authorized to receive this report under Section 117.26 of the Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Laura J. MacDonald, CPA, Inc.
June 7, 2000

VILLAGE OF ROSWELL
COMBINED STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUNDS
Year Ended December 31, 1999

	GENERAL FUND	SPECIAL REVENUE FUNDS	(Memorandum Only) TOTAL
CASH RECEIPTS			
Local taxes	\$ 31,436	\$ 5,105	\$ 36,541
Intergovernmental revenues	8,660	7,611	16,271
Charges for services	280	-	280
Fines, licenses and permits	1,088	-	1,088
Miscellaneous	894	-	894
	<u>42,358</u>	<u>12,716</u>	<u>55,074</u>
CASH DISBURSEMENTS			
General government	14,895	126	15,021
Security of persons and property	6,912	6,008	12,920
Basic utility services	3,110	-	3,110
Leisure time activities	2,400	-	2,400
Transportation	1,765	8,111	9,876
Public health services	129	-	129
Community environment	51	-	51
Debt service	3,241	-	3,241
	<u>32,503</u>	<u>14,245</u>	<u>46,748</u>
EXCESS (DEFICIT) OF CASH RECEIPTS OVER CASH DISBURSEMENTS	9,855	(1,529)	8,326
FUND CASH BALANCES AT BEGINNING OF YEAR	<u>10,391</u>	<u>6,516</u>	<u>16,907</u>
FUND CASH BALANCES AT END OF YEAR	<u>\$ 20,246</u>	<u>\$ 4,987</u>	<u>\$ 25,233</u>
RESERVES FOR ENCUMBRANCES	<u>\$ 1,165</u>	<u>\$ 100</u>	<u>\$ 1,265</u>

Please refer to accompanying notes.

**VILLAGE OF ROSWELL
COMBINED STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUNDS
Year Ended December 31, 1998**

	GENERAL FUND	SPECIAL REVENUE FUNDS	(Memorandum Only) TOTAL
CASH RECEIPTS			
Local taxes	\$ 24,604	\$ 5,070	\$ 29,674
Intergovernmental revenues	10,555	7,072	17,627
Charges for services	260	-	260
Fines, licenses and permits	1,002	-	1,002
Miscellaneous	1,812	26	1,838
	38,233	12,168	50,401
CASH DISBURSEMENTS			
General government	9,665	126	9,791
Security of persons and property	20,290	4,717	25,007
Basic utility services	3,645	-	3,645
Leisure time activities	39	-	39
Transportation	-	8,650	8,650
Public health services	217	-	217
Community environment	26	-	26
	33,882	13,493	47,375
EXCESS (DEFICIT) OF CASH RECEIPTS OVER CASH DISBURSEMENTS	4,351	(1,325)	3,026
OTHER FINANCING RECEIPTS (DISBURSEMENTS)			
Proceeds from Bank Note	6,000	-	6,000
Sale of fixed assets	-	850	850
Transfers-in	2,500	2,500	5,000
Transfers-out	(2,500)	(2,500)	(5,000)
	6,000	850	6,850
EXCESS (DEFICIT) OF CASH RECEIPTS AND OTHER FINANCING RECEIPTS OVER CASH DISBURSEMENTS AND OTHER FINANCING DISBURSEMENTS	10,351	(475)	9,876
FUND CASH BALANCES AT BEGINNING OF YEAR	40	6,991	7,031
FUND CASH BALANCES AT END OF YEAR	\$ 10,391	\$ 6,516	\$ 16,907
RESERVES FOR ENCUMBRANCES	\$ 505	\$ 341	\$ 846

Please refer to accompanying notes.

**VILLAGE OF ROSWELL
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS AND CHANGES IN FUND
CASH BALANCE - PROPRIETARY FUND
Year Ended December 31, 1999**

	<u>ENTERPRISE FUND</u>
CASH RECEIPTS	
Local taxes	\$ -
Intergovernmental revenues	2,475
Charges for services	3,700
Fines, licenses and permits	-
Miscellaneous	-
	<u>6,175</u>
CASH DISBURSEMENTS	
General government	-
Security of persons and property	-
Basic utility services	50
Leisure time activities	-
Transportation	-
Public health services	-
Community environment	-
Debt service	2,475
	<u>2,525</u>
EXCESS OF CASH RECEIPTS OVER CASH DISBURSEMENTS	3,650
FUND CASH BALANCE AT BEGINNING OF YEAR	<u>-</u>
FUND CASH BALANCE AT END OF YEAR	<u>\$ 3,650</u>
RESERVES FOR ENCUMBRANCES	<u>\$ -</u>

Please refer to accompanying notes.

**VILLAGE OF ROSWELL
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS AND CHANGES IN FUND
CASH BALANCE - PROPRIETARY FUND
Year Ended December 31, 1998**

	<u>ENTERPRISE FUND</u>
CASH RECEIPTS	
Local taxes	\$ -
Intergovernmental revenues	2,475
Charges for services	-
Fines, licenses and permits	-
Miscellaneous	-
	<u>2,475</u>
CASH DISBURSEMENTS	
General government	-
Security of persons and property	-
Basic utility services	-
Leisure time activities	-
Transportation	-
Public health services	-
Community environment	-
Debt service	2,475
	<u>2,475</u>
EXCESS OF CASH RECEIPTS OVER CASH DISBURSEMENTS	-
FUND CASH BALANCE AT BEGINNING OF YEAR	<u>-</u>
FUND CASH BALANCE AT END OF YEAR	<u><u>\$ -</u></u>
RESERVES FOR ENCUMBRANCES	<u><u>\$ -</u></u>

Please refer to accompanying notes.

VILLAGE OF ROSWELL
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Roswell (the Village) is a body politic and corporate 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 person council. The Village provides its residents with general governmental services, refuse hauling and police services. The Village contracts with the Village of Sherrodsville to provide ambulance services.

Accounting Basis

The accompanying financial statements have been prepared on 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 they are 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).

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:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds

Special Revenue Funds are used to account for receipts from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following special revenue funds at December 31, 1999 and 1998:

Street Maintenance and Repair Fund: This fund receives gasoline taxes and motor vehicle tax money for the purpose of constructing, maintaining and repairing the Village streets.

Fire Levy Fund: This fund receives tax money for the purpose of providing Village residents with fire protection services.

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 enterprise fund as of December 31, 1999:

VILLAGE OF ROSWELL
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998

Water Fund: This fund is used to receive charges for services from residents to cover the cost of providing this utility, which is currently in the developmental stage.

Budgetary Process

The Ohio Revised Code requires that budgets be prepared for each fund annually. Requirements of the budgetary process are as follows:

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 Village 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.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1st. The County Budget Commission must also approve estimated resources.

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made

A summary of 1999 and 1998 budgetary activity appears in Note 7.

Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements (capital outlays) when paid. These items are not reflected as assets in the accompanying financial statements.

NOTE 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, 1999 and 1998 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$28,883</u>	<u>\$16,907</u>

As of December 31, 1999 and 1998, all deposits were insured by the Federal Depository Insurance Corporation.

VILLAGE OF ROSWELL
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998

NOTE 3 – PROPERTY TAXES

Real property taxes become a lien on the January 1st preceding the October 1st date for which rates are adopted by the 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 31st. If the property owner elects to make semiannual payments, the first half is due December 31st. The second half payment is due the following June 20th.

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

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

NOTE 4 – DEBT

Long-term debt consists of the following at December 31, 1999 and 1998:

	<u>1999</u>	<u>1998</u>
Ohio Water Development Authority Project loan, payable in ten equal annual installments of \$2,475, beginning in July of 1998, with no interest	\$22,275	\$24,750
Promissory note, payable to bank in two equal annual installments of \$3,000; beginning in November of 1999, plus interest at 3.9% per annum	<u>6,000</u>	<u>6,000</u>
	28,275	30,750
Less Current Portion	<u>(5,475)</u>	<u>(2,475)</u>
Long-term Portion	<u>\$22,800</u>	<u>\$28,275</u>

Future maturities of long-term debt, excluding interest, are as follows:

<u>Year Ended December 31st</u>	<u>Amount</u>
2000	5,475
2001	2,475
2002	2,475
2003	2,475
2004	2,475
Thereafter	12,900

VILLAGE OF ROSWELL
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998

NOTE 5 - DEFINED BENEFIT PENSION PLAN

All Village employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost sharing, multiple-employer plan. This plan provides for retirement benefits, including post retirement healthcare and survivor and disability benefits, to participants as prescribed by the Ohio Revised Code. Contribution rates are prescribed by the Ohio Revised Code. For 1999 and 1998, Village employees, contributed 8.5% of their gross salaries to PERS. The Village contributed 13.55% of participants salaries during each of these years.

NOTE 6 - RISK MANAGEMENT

As of December 31, 1999, the Village had commercial general liability insurance coverage of \$300,000 for each occurrence and \$1,000,000 in the aggregate; property coverage totaling \$124,700; and automobile liability coverage of \$25,000 per person and \$50,000 per accident.

NOTE 7 - BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 1999 and 1998 was as follows:

Year Ended December 31, 1999:

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 37,595	\$ 42,358	\$ 4,763
Special Revenue	12,265	12,716	451
Enterprise	<u>5,575</u>	<u>6,175</u>	<u>600</u>
	<u>\$ 55,435</u>	<u>\$ 61,249</u>	<u>\$ 5,814</u>

<u>Fund Type</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 47,964	\$ 33,668	\$ 14,296
Special Revenue	18,803	14,345	4,458
Enterprise	<u>5,575</u>	<u>2,525</u>	<u>3,050</u>
	<u>\$ 72,342</u>	<u>\$ 50,538</u>	<u>\$ 21,804</u>

VILLAGE OF ROSWELL
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998

NOTE 7 – BUDGETARY ACTIVITY (Continued)

Year Ended December 31, 1998:

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 46,696	\$ 46,733	\$ 37
Special Revenue	14,424	15,518	1,094
Enterprise	<u>2,475</u>	<u>2,475</u>	<u>-</u>
	<u>\$ 63,595</u>	<u>\$ 64,726</u>	<u>\$ 1,131</u>

<u>Fund Type</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 46,736	\$ 36,887	\$ 9,849
Special Revenue	21,415	16,334	5,081
Enterprise	<u>2,475</u>	<u>2,475</u>	<u>-</u>
	<u>\$ 70,626</u>	<u>\$ 55,696</u>	<u>\$ 14,930</u>

LAURA J. MACDONALD, CPA, INC.
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**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Village Council
Village of Roswell
5198 Main Street, Northeast
New Philadelphia, Ohio 44663

I have audited the accompanying financial statements of the Village of Roswell, Tuscarawas County, Ohio (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued my report thereon dated June 7, 2000. I conducted my audits 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, I 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 my audits and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of noncompliance that I have reported to the management of the Village of Roswell in a separate letter dated June 7, 2000.

Internal Control Over Financial Reporting

In planning and performing my audits, I considered the Village's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted certain immaterial matters involving the internal control over financial reporting that I have reported to the management of the Village of Roswell in a separate letter dated June 7, 2000.

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

Laura J. MacDonald, CPA, Inc.
June 7, 2000



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF ROSWELL

TUSCARAWAS 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
OCTOBER 19, 2000**