



**VILLAGE OF ALEXANDRIA
LICKING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF ALEXANDRIA
LICKING COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Alexandria
Licking County
P.O. Box 96
116 Granville Street
Alexandria, Ohio 43001

To the Village Council:

We have audited the accompanying financial statements of the Village of Alexandria, Licking County, Ohio, (the Village) as of and for the years ended December 31, 1999 and December 31, 1998. 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 audits.

We conducted our 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 we 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. We believe that our audits provide 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 as of December 31, 1999 and December 31, 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*, we have also issued our report dated August 3, 2000 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.

This report is intended solely for the information and use of management and 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, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

August 3, 2000

**VILLAGE OF ALEXANDRIA
LICKING 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**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$18,995	\$5,085	\$25	\$0	\$24,105
Special Assessments	201	0	0	0	201
Intergovernmental Receipts	35,484	23,216	0	17,559	76,259
Charges for Services	1,271	0	0	0	1,271
Fines, Licenses, and Permits	4,762	0	0	0	4,762
Earnings on Investments	394	0	0	0	394
Miscellaneous	413	1,380	0	0	1,793
	<u>61,520</u>	<u>29,681</u>	<u>25</u>	<u>17,559</u>	<u>108,785</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
Security of Persons and Property	7,419	7,044	0	0	14,463
Public Health Services	10	0	0	0	10
Leisure Time Activities	0	1,311	0	0	1,311
Community Environment	736	0	0	0	736
Transportation	0	27,674	0	0	27,674
General Government	29,889	158	0	0	30,047
Debt Service:					
Principal Payments	0	6,294	445	0	6,739
Capital Outlay	300	229	0	19,884	20,413
	<u>38,354</u>	<u>42,710</u>	<u>445</u>	<u>19,884</u>	<u>101,393</u>
Total Cash Disbursements					
Total Cash Receipts Over/(Under) Cash Disbursements	<u>23,166</u>	<u>(13,029)</u>	<u>(420)</u>	<u>(2,325)</u>	<u>7,392</u>
Other Financing Receipts/(Disbursements):					
Sale of Fixed Assets	0	5,360	0	0	5,360
Transfers-In	0	0	247	1,000	1,247
Transfers-Out	(1,000)	(247)	0	0	(1,247)
	<u>(1,000)</u>	<u>5,113</u>	<u>247</u>	<u>1,000</u>	<u>5,360</u>
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>22,166</u>	<u>(7,916)</u>	<u>(173)</u>	<u>(1,325)</u>	<u>12,752</u>
Fund Cash Balances, January 1, 1999	<u>26,646</u>	<u>22,093</u>	<u>173</u>	<u>1,801</u>	<u>50,713</u>
Fund Cash Balances, December 31, 1999	<u><u>\$48,812</u></u>	<u><u>\$14,177</u></u>	<u><u>\$0</u></u>	<u><u>\$476</u></u>	<u><u>\$63,465</u></u>
Reserves for Encumbrances, December 31, 1999	<u><u>\$1,023</u></u>	<u><u>\$1,072</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$2,095</u></u>

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

**VILLAGE OF ALEXANDRIA
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Proprietary Fund Type	Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency	
Operating Cash Receipts:				
Charges for Services	\$72,375	\$0	\$0	\$72,375
Interest	0	574	0	574
Total Operating Cash Receipts	<u>72,375</u>	<u>574</u>	<u>0</u>	<u>72,949</u>
Operating Cash Disbursements:				
Personal Services	15,750	0	0	15,750
Fringe Benefits	2,541	0	0	2,541
Contractual Services	43,294	0	0	43,294
Supplies and Materials	3,586	1,020	0	4,606
Total Operating Cash Disbursements	<u>65,171</u>	<u>1,020</u>	<u>0</u>	<u>66,191</u>
Operating Income/(Loss)	<u>7,204</u>	<u>(446)</u>	<u>0</u>	<u>6,758</u>
Non-Operating Cash Receipts:				
Other Non-Operating Cash Receipts	<u>0</u>	<u>0</u>	<u>5,148</u>	<u>5,148</u>
Non-Operating Cash Disbursements:				
Debt Service	2,013	0	0	2,013
Other Non-Operating Cash Disbursements	<u>0</u>	<u>0</u>	<u>5,097</u>	<u>5,097</u>
Total Non-Operating Cash Disbursements	<u>2,013</u>	<u>0</u>	<u>5,097</u>	<u>7,110</u>
Net Receipts Over/(Under) Disbursements	5,191	(446)	51	4,796
Fund Cash Balances, January 1, 1999	<u>13,073</u>	<u>17,585</u>	<u>95</u>	<u>30,753</u>
Fund Cash Balances, December 31, 1999	<u>\$18,264</u>	<u>\$17,139</u>	<u>\$146</u>	<u>\$35,549</u>
Reserve for Encumbrances, December 31, 1999	<u>\$1,519</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,519</u>

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

**VILLAGE OF ALEXANDRIA
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$17,308	\$5,100	\$1,800	\$0	\$24,208
Special Assessments	185	0	0	0	185
Intergovernmental Receipts	41,067	29,614	0	0	70,681
Charges for Services	1,343	0	0	0	1,343
Fines, Licenses, and Permits	12,623	0	0	0	12,623
Earnings on Investments	170	0	0	0	170
Miscellaneous	3,861	1,139	0	0	5,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	76,557	35,853	1,800	0	114,210
Cash Disbursements:					
Current:					
Security of Persons and Property	20,894	2,651	0	0	23,545
Public Health Services	10	0	0	0	10
Leisure Time Activities	0	1,895	0	0	1,895
Community Environment	899	0	0	0	899
Transportation	0	35,211	0	0	35,211
General Government	36,484	88	0	0	36,572
Debt Service:					
Principal Payments	0	0	2,328	0	2,328
Capital Outlay	2,003	6,000	0	2,697	10,700
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	60,290	45,845	2,328	2,697	111,160
Total Cash Receipts Over/(Under) Cash Disbursements	16,267	(9,992)	(528)	(2,697)	3,050
Other Financing Receipts/(Disbursements):					
Proceeds from Loan	0	6,000	0	0	6,000
Transfers-In	0	1,430	700	0	2,130
Advances-In	800	0	800	0	1,600
Transfers-Out	(2,130)	0	0	0	(2,130)
Advances-Out	(800)	0	(800)	0	(1,600)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(2,130)	7,430	700	0	6,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	14,137	(2,562)	172	(2,697)	9,050
Fund Cash Balances, January 1, 1998	12,509	24,655	1	4,498	41,663
Fund Cash Balances, December 31, 1998	<u>\$26,646</u>	<u>\$22,093</u>	<u>\$173</u>	<u>\$1,801</u>	<u>\$50,713</u>

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

**VILLAGE OF ALEXANDRIA
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Type	Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency	
Operating Cash Receipts:				
Charges for Services	\$75,319	\$0	\$0	\$75,319
Interest	0	985	0	985
Total Operating Cash Receipts	75,319	985	0	76,304
Operating Cash Disbursements:				
Personal Services	14,397	0	0	14,397
Fringe Benefits	2,215	0	0	2,215
Contractual Services	45,601	0	0	45,601
Supplies and Materials	11,732	0	0	11,732
Total Operating Cash Disbursements	73,945	0	0	73,945
Operating Income/(Loss)	1,374	985	0	2,359
Non-Operating Cash Receipts:				
Other Non-Operating Receipts	0	0	16,243	16,243
Non-Operating Cash Disbursements:				
Debt Service	2,013	0	0	2,013
Other Non-Operating Cash Disbursements	0	0	16,243	16,243
Total Non-Operating Cash Disbursements	2,013	0	16,243	18,256
Net Receipts Over/(Under) Disbursements	(639)	985	0	346
Fund Cash Balances, January 1, 1998	13,712	16,600	95	30,407
Fund Cash Balances, December 31, 1998	\$13,073	\$17,585	\$95	\$30,753

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

**VILLAGE OF ALEXANDRIA
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Alexandria, Licking 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, including water utilities 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 Investments

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. 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.

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 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 and State Highway Funds - These funds receive gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**VILLAGE OF ALEXANDRIA
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Accounting (continued)

2. Special Revenue Funds (continued)

Permissive Motor Vehicle License Fund - This fund receives permissive taxes from motor vehicle license tax sales that is used to repair Village streets.

Police Levy Fund - This fund receives tax levy money to fund the Village Police Department.

3. Debt Service Fund

This fund is used to accumulate resources for the payment of note indebtedness.

4. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds).

5. Enterprise Fund

This fund accounts 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.

Water Fund – This fund receives monies from charges for water that was distributed to the Village.

6. Fiduciary Funds (Trust and Agency 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. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund.

Mayor's Court Fund - This fund receives fines and fees levied for traffic violations as prescribed by Village Ordinance. The funds are distributed to various agencies as prescribed by the Ohio Revised Code.

E. Budgetary Process

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

**VILLAGE OF ALEXANDRIA
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Process (continued)

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 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 80,405	\$ 62,363
Certificates of deposit	1,024	994
Total deposits	81,429	63,357
STAR Ohio	17,585	18,109
Total deposits and investments	\$ 99,014	\$ 81,466

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

**VILLAGE OF ALEXANDRIA
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 66,703	\$ 61,520	\$ (5,183)
Special Revenue	32,855	35,041	2,186
Debt Service	0	272	272
Capital Projects	0	18,559	18,559
Enterprise	72,000	72,375	375
Total	<u>\$ 171,558</u>	<u>\$ 187,767</u>	<u>\$ 16,209</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 62,154	\$ 40,377	\$ 21,777
Special Revenue	52,588	44,029	8,559
Debt Service	500	445	55
Capital Projects	2,800	19,884	(17,084)
Nonexpendable Trust	2,020	1,020	1,000
Enterprise	77,055	68,703	8,352
Total	<u>\$ 197,117</u>	<u>\$ 174,458</u>	<u>\$ 22,659</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 64,950	\$ 77,357	\$ 12,407
Special Revenue	38,020	43,283	5,263
Debt Service	2,350	3,300	950
Capital Projects	0	0	0
Enterprise	77,000	75,319	(1,681)
Total	<u>\$ 182,320</u>	<u>\$ 199,259</u>	<u>\$ 16,939</u>

**VILLAGE OF ALEXANDRIA
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 78,996	\$ 63,220	\$ 15,776
Special Revenue	56,148	45,845	10,303
Debt Service	3,220	3,128	92
Capital Projects	5,497	2,697	2,800
Enterprise	76,684	75,958	726
Total	\$ 220,545	\$ 190,848	\$ 29,697

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.

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, 1999 was as follows:

	Principal	Interest Rate
Ohio EPA - Waste Water Engineering Loan	\$ 22,500	0%
OPWC - Water Tower Loan	36,239	0%
Total	\$ 58,739	

**VILLAGE OF ALEXANDRIA
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT (continued)

The Village obtained a non-interest bearing \$25,000 loan through the Ohio EPA in 1996 for engineering services related to wastewater facilities improvement. Proceeds of the loan were received in increments of \$20,000 in 1996 and \$5,000 in 1997. The loan is being repaid through annual installments and will be mature 2007.

The Village obtained a \$40,267 loan through the Ohio Public Works Commission in 1997 for the construction of a water storage tower. The loan is being repaid through semi-annual installments and will mature 2017.

The Village obtained \$6,000 promissory note in 1998, at an interest rate of 7.5% to purchase a dump truck and paid off the note in 1999.

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

Year ending December 31:	Waste Water Engineering Loan	Water Tower Loan
2000	\$ 2,500	\$ 2,014
2001	2,500	2,014
2002	2,500	2,014
2003	2,500	2,014
2004	2,500	2,014
Subsequent	10,000	26,170
Total	\$ 22,500	\$ 36,240

6. RETIREMENT SYSTEMS

The Village's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. 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 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

**VILLAGE OF ALEXANDRIA
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

8. MAYOR'S COURT

The Village maintains a Mayor's Court to account for the receipts from citations given by the Police Department. The activity of the Mayor's Court is reported as an Agency Fund on the financial statements. The ending balances as of December 31, 1999 and December 31, 1998 represent court collections to be paid to the Village, State, or other claimants of such monies.

In the prior period the Mayor's Court activity was reported in a note disclosure. The January 1, 1998 fund balance of the Agency Fund Type was restated from zero to \$95 to reflect this change.

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

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

Village of Alexandria
Licking County
P.O. Box 96
116 Granville Street
Alexandria, Ohio 43001

To the Village Council:

We have audited the accompanying financial statements of the Village of Alexandria, Licking County, Ohio (the Village), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated August 3, 2000. We conducted our 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, 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 audits 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 August 3, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered 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 August 3, 2000.

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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

JIM PETRO
Auditor of State

August 3, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF ALEXANDRIA

LICKING 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
SEPTEMBER 14, 2000**