

Village of Adelphi

Ross County

Single Audit

January 1, 2000 Through December 31, 2000

Fiscal Year Audited Under GAGAS: 2000

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Village Council  
Village of Adelphi  
P.O. Box 645  
Adelphi, Ohio 43101

We have reviewed the Independent Auditor's Report of the Village of Adelphi, Ross County, prepared by Balestra & Company, for the audit period January 1, 2000 through December 31, 2000. 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 Adelphi is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

July 9, 2001



VILLAGE OF ADELPHI  
ROSS COUNTY  
JANUARY 1, 2000 THROUGH DECEMBER 31, 2000

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**Independent Auditor's Report**

Village Council  
Village of Adelphi  
PO Box 645  
Adelphi, Ohio 43101

We have audited the accompanying financial statements of the Village of Adelphi, Ross County, Ohio, (the "Village") as of and for the year ended December 31, 2000. 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 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 of the Village of Adelphi, Ross County, Ohio, as of December 31, 2000, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2001 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Village of Adelphi, Ross County, taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by the U.S Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Village Council  
Village of Adelphi  
Independent Auditor's Report  
Page 2

This report is intended solely for the information and use of the 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.

*Balestra & Company*  
Balestra & Company

March 21, 2001



VILLAGE OF ADELPHI  
ROSS COUNTY

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	(Memorandum Only) <u>Total</u>
Cash receipts:				
Local taxes	\$5,519	\$6,679	\$0	\$12,198
Intergovernmental	40,432	12,280	399,707	452,419
Charges for services	1,478	0	0	1,478
Interest	3,948	747	0	4,695
Miscellaneous	4,346	8	0	4,354
Total cash receipts	<u>55,723</u>	<u>19,714</u>	<u>399,707</u>	<u>475,144</u>
Cash disbursements:				
Current:				
Security of persons and property	2,759	5,821	0	8,580
Public health services	0	73	0	73
Transportation	11,880	46,579	0	58,459
General government	35,975	0	0	35,975
Capital outlay	0	2,603	470,539	473,142
Total program disbursements	<u>50,614</u>	<u>55,076</u>	<u>470,539</u>	<u>576,229</u>
Total receipts over/(under) program disbursements	5,109	(35,362)	(70,832)	(101,085)
Other financing Sources:				
Proceeds from loans	0	0	225,846	225,846
Total other financing Sources	<u>0</u>	<u>0</u>	<u>225,846</u>	<u>225,846</u>
Total receipts over/(under) program disbursements and oth	5,109	(35,362)	155,014	124,761
Fund cash balances, January 1	<u>37,585</u>	<u>58,511</u>	<u>1</u>	<u>96,097</u>
Fund cash balances, December 31	<u>\$42,694</u>	<u>\$23,149</u>	<u>\$155,015</u>	<u>\$220,858</u>

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

VILLAGE OF ADELPHI  
ROSS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1 - Summary of Significant Accounting Policies**

A. Description of the Entity

The Village of Adelphi, Ross 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 governmental services. The Ross County Sheriff's department provides security of persons and property as needed by the Village.

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 a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

C. Cash and Investments

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:

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

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.

State Highway Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Fire Levy Fund - This fund receives property taxes to provide fire and rescue services to the Village.

VILLAGE OF ADELPHI  
ROSS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1 - Summary of Significant Accounting Policies (Continued)**

D. Fund Accounting (Continued)

Capital Projects Fund

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds):

State Issue II Paving Grant Fund- This fund receives grant monies for the installation of water and sewer lines.

CDBG Sewer Grant - This fund receives grant monies from CDBG for the installation of water and sewer lines.

OWDA Sewer Construction Loan - This fund receives proceeds of a loan from OWDA to cover engineering costs for the sewer project. This loan serves as an advance for grant monies to be received for the installation of sewer lines.

OPWC Sewer Grant - This fund receives monies from OPWC for the installation of water and sewer lines.

WPCLF Sewer Grant - This fund receives monies from WPCLF for the installation of water and sewer lines.

USDA Sewer Construction Loan - This fund receives monies from the USDA for the installation of water and sewer lines.

USDA Sewer Grant - This fund receives monies from the USDA for the installation of water and sewer lines.

E. Budgetary Process

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

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 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.

VILLAGE OF ADELPHI  
ROSS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1 - Summary of Significant Accounting Policies (Continued)**

E. Budgetary Process (Continued)

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash balances as of January 1. 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. Encumbrances outstanding at year end are carried over and need not be re-appropriated.

A summary of 2000 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. Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Inter-fund type eliminations have not been made in the aggregation of this data.

**Note 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, 2000 was as follows:

	<u>2000</u>
Demand deposits	\$190,858
Certificates of deposit	<u>30,000</u>
Total deposits	<u><u>\$220,858</u></u>

Deposits are insured by the Federal Depository Insurance Corporation.

VILLAGE OF ADELPHI  
ROSS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS

**Note 3 - Budgetary Activity**

Budgetary activity for the years ending December 31, 2000 was as follows:

2000 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$47,067	\$55,723	\$8,656
Special Revenue	19,987	19,714	(273)
Capital Projects	<u>1,199,569</u>	<u>625,553</u>	<u>(574,016)</u>
Total	<u>\$1,266,623</u>	<u>\$700,990</u>	<u>(\$565,633)</u>

2000 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$73,278	\$50,614	\$22,664
Special Revenue	76,908	55,076	21,832
Capital Projects	<u>1,194,569</u>	<u>470,539</u>	<u>724,030</u>
Total	<u>\$1,344,755</u>	<u>\$576,229</u>	<u>\$768,526</u>

**Note 4 - Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village. 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.

VILLAGE OF ADELPHI  
ROSS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS

**Note 5 - Debt**

Debt outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loans	\$148,835	0%
USDA Sewer Construction Loan	\$225,846	0%

Both loans relate to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. Currently, the Village does not have a repayment schedule. The total loan amount is current as of December 31, 2000, but subject to change in subsequent fiscal years.

**Note 6 - Retirement Systems**

The village has no full time employees. All elected and appointed officials pay 6.2% of their salary into the social security system. The Village also pays 6.2% of those salaries into the social security system.

**Note 7 - Risk Management**

The Village has obtained commercial carrier insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions
- Public Officials liability

**Note 8 - Contingencies**

**Litigation**

The Village is party to legal proceedings. The Village is of the opinion that the case will be awarded in their favor.

**Grants**

The Village received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Village at December 31, 2000.

Village of Adelphi  
Ross County  
Schedule of Federal Awards Expenditures  
For the Fiscal Year Ended December 31, 2000

<u>Agency/Program Grant Title</u>	<u>Pass Through Entity #</u>	<u>CFDA #</u>	<u>Disbursements</u>
<b><u>U.S. Department of Agriculture:</u></b>			
Direct			
Water & Waste Disposal Systems for Rural Communities	N/A	10.760	\$253,146
<b><u>U.S. Department of Housing and Urban Development:</u></b>			
Pass-through the Ohio Department of Development			
Community Development Block Grant (Entitlement Grants)	N/A	14.228	<u>97,492</u>
Total Federal Expenditures			<u><u>\$350,638</u></u>

N/A = Not Available

Notes to Schedule of Federal Awards Expenditures

Note 1. The Schedule of Federal Awards Expenditures was prepared on a basis of accounting prescribed or permitted by the Auditor of State, which is described in Note 1 to the Financial Statements.

**Balestra & Company**  
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**Report on Compliance and on Internal Control required by Government Auditing Standards**

Village Council  
Village of Adelphi  
PO Box 645  
Adelphi, Ohio 45142

We have audited the accompanying financial statements of the Village of Adelphi, Ross County, Ohio (the "Village"), as of and for the year ended December 31, 2000 and have issued our report dated March 21, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental 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 *Governmental Auditing Standards*.

**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.

This report is intended for the information of the audit committee, management, members of the Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by any one other than these specified parties.

*Balestra & Company*

**Balestra & Company**

March 21, 2001



**Balestra & Company**  
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**Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal**

**Control Over Compliance in Accordance with OMB Circular A-133**

Village Council  
Village of Adelphi  
PO Box 645  
Adelphi, Ohio 45142

**Compliance**

We have audited the compliance of the Village of Adelphi with the types of compliance requirements described in the *U.S. Office Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2000. The Village of Adelphi major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Village of Adelphi's management. Our responsibility is to express an opinion on the Village of Adelphi's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the Village of Adelphi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village of Adelphi's compliance with those requirements.

In our opinion, the Village of Adelphi complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2000.

**Internal Control Over Compliance**

The management of the Village of Adelphi is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit we considered the Village of Adelphi's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Village Council  
Village of Adelphi

Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

Page 2

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulation, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management, members of the Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Balestra & Company.*

Balestra & Company

March 21, 2001

**VILLAGE OF ADELPHI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**OMB CIRCULAR A-133 SECTION .505**

**FOR THE YEAR ENDED DECEMBER 31, 2000**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Water and Waste Disposal Systems for Rural Communities CFDA# 10.760
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**VILLAGE OF ADELPHI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**OMB CIRCULAR A-133 SECTION .505**

**FOR THE YEAR ENDED DECEMBER 31, 2000**

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**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number	None
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**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

Finding Number	None
CFDA Title and Number	
Federal Award Number/Year	
Federal Agency	
Pass-Through Agency	



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**VILLAGE OF ADELPHI**

**ROSS COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 26, 2001**