



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF ADELPHI
ROSS COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Adelphi
Ross County
PO Box 568
Adelphi, Ohio 43101

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Adelphi, Ross County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
September 30, 2024

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Village of Adelphi, Ohio
Ross County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$3,101	\$2,211	\$5,312
Municipal Income Tax	45,379	0	45,379
Intergovernmental	27,052	44,740	71,792
Fines, Licenses and Permits	3,296	0	3,296
Earnings on Investments	250	29	279
Miscellaneous	1,057	0	1,057
<i>Total Cash Receipts</i>	<u>80,135</u>	<u>46,980</u>	<u>127,115</u>
Cash Disbursements			
Current:			
Security of Persons and Property	14,894	4,000	18,894
Transportation	0	9,563	9,563
General Government	62,739	0	62,739
Capital Outlay	0	289	289
<i>Total Cash Disbursements</i>	<u>77,633</u>	<u>13,852</u>	<u>91,485</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,502</u>	<u>33,128</u>	<u>35,630</u>
<i>Fund Cash Balances, January 1</i>	<u>37,713</u>	<u>70,723</u>	<u>108,436</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$40,215</u></u>	<u><u>\$103,851</u></u>	<u><u>\$144,066</u></u>

See accompanying notes to the basic financial statements

Village of Adelphi, Ohio
Ross County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2022

	Enterprise
Operating Cash Receipts	
Charges for Services	\$185,465
<i>Total Operating Cash Receipts</i>	185,465
Operating Cash Disbursements	
Personal Services	27,728
Employee Fringe Benefits	3,759
Contractual Services	62,090
Supplies and Materials	32,300
Other	5,099
<i>Total Operating Cash Disbursements</i>	130,976
<i>Operating Income (Loss)</i>	54,489
Non-Operating Receipts (Disbursements)	
Special Assessments	3,674
Principal Retirement	(66,686)
Interest and Other Fiscal Charges	(10,059)
<i>Total Non-Operating Receipts (Disbursements)</i>	(73,071)
<i>Net Change in Fund Cash Balances</i>	(18,582)
<i>Fund Cash Balances, January 1</i>	58,547
<i>Fund Cash Balances, December 31</i>	\$39,965

See accompanying notes to the basic financial statements

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Adelphi (the Village), Ross County, 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. A publicly-elected six-member Council directs the Village. The Village provides general government services and sewer utilities. The Village contracts with the Ross County Sheriff's department to provide security of persons and property. The Village contracts with Colerain Township to receive fire and emergency medical services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types which are all organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Fund:

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund 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 Council must annually approve appropriation measures and subsequent amendments. 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 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2022 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Village had no investments at December 31, 2022.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the general, street construction maintenance and repair, state highway, permissive motor vehicle license tax and sewer funds by \$77,633, \$11,121, \$858, \$1,873, and \$207,722, respectively, for the year ended December 31, 2022. Also contrary to Ohio law, the Village did not pass an appropriation resolution for the year ended December 31, 2022.

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$63,836	\$80,135	\$16,299
Special Revenue	28,722	46,980	18,258
Enterprise	152,000	189,139	37,139
Total	\$244,558	\$316,254	\$71,696

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$79,628	(\$79,628)
Special Revenue	0	13,852	(13,852)
Enterprise	0	216,932	(216,932)
Total	\$0	\$310,412	(\$310,412)

Note 5 – Deposits

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit accounts are as follows:

	2022
Cash Management Pool:	
Demand deposits	\$131,045
Certificates of deposit	52,986
Total deposits	184,031

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the village is holding \$2,984 in unremitted employee payroll withholdings.

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Income Taxes

The Village levies a municipal income tax of 1% percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 7 – Risk Management

Worker's Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2022.

Social Security

Several Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village owes \$383 in contributions required through December 31, 2022.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022.

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

Ohio Water Development Authority Loan #2657	\$27,806	2.20%
Ohio Water Development Authority Loan #4227	\$557,944	1.00%
Ohio Water Development Authority Loan #4959	335,643	1.00%
Ohio Public Works Commission Loan #CT47L	120,151	0.00%
Total	<u>\$1,041,544</u>	

The Ohio Water Development Authority (OWDA) loans relate to sewer projects the Ohio Environmental Protection Agency mandated. The Village will repay loan #2657 in semiannual installments of \$3,650, including interest, over 20 years. The Village will repay loan #4227 in semiannual installments of \$20,716,

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2022

including interest, over 30 years. Loan #4959 will be repaid in semiannual installments of \$10,759, including interest, over 30 years.

Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission loan relates to sewer projects the Ohio Environmental Protection Agency mandated. The Village will repay the interest-free loan in semiannual installments of \$3,247 over 30 years.

Amortization

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

Year Ending December 31:	OWDA Loan #2657	OWDA Loan #4227	OWDA Loan #4959	OPWC Loan
2023	7,300	41,432	21,518	6,494
2024	7,300	41,432	21,518	6,494
2025	7,300	41,432	21,518	6,494
2026	7,300	41,432	21,518	6,494
2027		41,432	21,518	6,494
2028-2032		207,160	107,590	32,473
2033-2037		186,444	107,590	32,473
2038-2042			43,036	22,735
Total	<u>\$29,200</u>	<u>\$600,764</u>	<u>\$365,806</u>	<u>\$120,151</u>

Note 10 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	1,995	0	1,995
<i>Total</i>	<u>\$1,995</u>	<u>\$0</u>	<u>\$1,995</u>

The fund balance of special revenue funds is either restricted or committed. These restricted, committed and assigned amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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Village of Adelphi, Ohio
Ross County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$3,087	\$2,165	\$5,252
Municipal Income Tax	46,937	0	46,937
Intergovernmental	32,442	45,757	78,199
Fines, Licenses and Permits	2,847	0	2,847
Earnings on Investments	24	13	37
Miscellaneous	2,952	0	2,952
<i>Total Cash Receipts</i>	<u>88,289</u>	<u>47,935</u>	<u>136,224</u>
Cash Disbursements			
Current:			
Security of Persons and Property	13,556	3,138	16,694
Transportation	0	2,818	2,818
General Government	80,893	0	80,893
Capital Outlay	0	0	0
<i>Total Cash Disbursements</i>	<u>94,449</u>	<u>5,956</u>	<u>100,405</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(6,160)</u>	<u>41,979</u>	<u>35,819</u>
Other Financing Receipts (Disbursements)			
Other Financing Sources	3,000	0	3,000
<i>Total Other Financing Receipts (Disbursements)</i>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
<i>Net Change in Fund Cash Balances</i>	(3,160)	41,979	38,819
<i>Fund Cash Balances, January 1</i>	<u>40,873</u>	<u>28,744</u>	<u>69,617</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$37,713</u></u>	<u><u>\$70,723</u></u>	<u><u>\$108,436</u></u>

See accompanying notes to the basic financial statements

Village of Adelphi, Ohio
Ross County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2021

	Enterprise
Operating Cash Receipts	
Charges for Services	\$161,601
<i>Total Operating Cash Receipts</i>	161,601
Operating Cash Disbursements	
Personal Services	15,806
Employee Fringe Benefits	2,598
Other	53,833
<i>Total Operating Cash Disbursements</i>	72,237
<i>Operating Income (Loss)</i>	89,364
Non-Operating Receipts (Disbursements)	
Special Assessments	2,984
Principal Retirement	(66,012)
Interest and Other Fiscal Charges	(10,734)
<i>Total Non-Operating Receipts (Disbursements)</i>	(73,762)
<i>Net Change in Fund Cash Balances</i>	15,602
<i>Fund Cash Balances, January 1</i>	42,945
<i>Fund Cash Balances, December 31</i>	\$58,547

See accompanying notes to the basic financial statements

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Adelphi (the Village), Ross County, 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. A publicly-elected six-member Council directs the Village. The Village provides general government services and sewer utilities. The Village contracts with the Ross County Sheriff's department to provide security of persons and property. The Village contracts with Colerain Township to receive fire and emergency medical services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types which are all organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Fund:

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund 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 Council must annually approve appropriation measures and subsequent amendments. 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 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2021 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Village had no investments at December 31, 2021.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the general, street construction maintenance and repair, state highway, permissive motor vehicle license tax and sewer funds by \$94,449, \$5,300, \$473, \$183, and \$148,983, respectively, for the year ended December 31, 2021. Also contrary to Ohio law, the Village did not pass an appropriation resolution for the year ended December 31, 2024.

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$51,506	\$91,289	\$39,783
Special Revenue	25,707	47,935	22,228
Enterprise	170,000	164,585	(5,415)
Total	\$247,213	\$303,809	\$56,596

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$95,468	(\$95,468)
Special Revenue	0	5,956	(5,956)
Enterprise	0	150,113	(150,113)
Total	\$0	\$251,537	(\$251,537)

Note 5 – Deposits

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit accounts are as follows:

	2021
Cash Management Pool:	
Demand deposits	\$114,227
Certificates of deposit	52,756
Total deposits	166,983

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the village is holding \$0 in unremitted employee payroll withholdings.

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Income Taxes

The Village levies a municipal income tax of 1% percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 7 – Risk Management

Worker's Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Social Security

Several Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021.

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

Ohio Water Development Authority Loan #2657	\$34,386	2.20%
Ohio Water Development Authority Loan #4227	\$593,530	1.00%
Ohio Water Development Authority Loan #4959	353,670	1.00%
Ohio Public Works Commission Loan #CT47L	126,646	0.00%
Total	<u>\$1,108,232</u>	

The Ohio Water Development Authority (OWDA) loans relate to sewer projects the Ohio Environmental Protection Agency mandated. The Village will repay loan #2657 in semiannual installments of \$3,650, including interest, over 20 years. The Village will repay loan #4227 in semiannual installments of \$20,716,

Village of Adelphi, Ohio
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2021

including interest, over 30 years. Loan #4959 will be repaid in semiannual installments of \$10,759, including interest, over 30 years.

Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission loan relates to sewer projects the Ohio Environmental Protection Agency mandated. The Village will repay the interest-free loan in semiannual installments of \$3,247 over 30 years.

Amortization

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

Year Ending December 31:	OWDA Loan #2657	OWDA Loan #4227	OWDA Loan #4959	OPWC Loan
2022	\$7,300	\$41,432	\$21,518	\$6,494
2023	7,300	41,432	21,518	6,494
2024	7,300	41,432	21,518	6,494
2025	7,300	41,432	21,518	6,494
2026	7,300	41,432	21,518	6,494
2027-2031		207,160	107,590	32,470
2032-2036		207,160	107,590	32,470
2037-2041		20,716	64,556	29,236
Total	\$36,500	\$642,196	\$387,326	\$126,646

Note 10 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	1,019	0	1,019
<i>Total</i>	<u>\$1,019</u>	<u>\$0</u>	<u>\$1,019</u>

The fund balance of special revenue funds is either restricted or committed. These restricted, committed and assigned amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Adelphi
Ross County
PO Box 568
Adelphi, Ohio 43101

To the Village Council:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Adelphi, Ross County, (the Village) and have issued our report thereon dated September 30, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001 through 2022-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2022-004 and 2022-005.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
September 30, 2024

**VILLAGE OF ADELPHI
ROSS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2022-001

Material Weakness

Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to deficiencies in the Village's financial statement monitoring and review process, the following conditions were noted in relation to the 2022 Reporting:

General Fund:

- Property tax receipts were overstated by \$42,626 due to errors in recording municipal income tax receipts, ARPA grant monies, reimbursements, permissive motor vehicle license fees, rollback and homestead receipts and special assessment receipts.
- Municipal income tax receipts were understated by \$45,379 due to errors in recording municipal income tax receipts at net and errors in recording intergovernmental receipts and property tax receipts.
- Intergovernmental receipts were overstated by \$6,072 due to errors in recording municipal income tax receipts, rollback and homestead receipts and permissive motor vehicle license tax receipts.

Street Construction, Maintenance and Repair Fund:

- Property tax receipts were understated by \$1,680 due to incorrectly recording as permissive motor vehicle license tax receipts.

Permissive Motor Vehicle License Tax Fund:

- Property tax receipts were overstated by \$796 due to incorrectly recoding permissive motor vehicle license tax receipts.
- Intergovernmental receipts were understated by \$1,261 due to incorrectly recording property tax receipts.

Due to deficiencies in the Village's financial statement monitoring and review process, the following conditions were noted in relation to the 2021 Reporting:

General Fund:

- Property tax receipts were overstated by \$43,564 due to errors in recording municipal income tax receipts and charges for services receipts.

**FINDING NUMBER 2022-001
(Continued)**

- Municipal income tax receipts were understated by \$46,937 due to errors in recording municipal income tax receipts.
- Intergovernmental receipts were understated by \$8,364 due to errors in recording municipal income tax receipts, local government receipts park district grant receipts.
- Miscellaneous receipts were overstated by \$8,035 due to errors in recording sale of property and park district grant receipts.
- Beginning cash fund balance was overstated by \$51,312 due to prior year adjustments not properly recorded.

Street Construction, Maintenance and Repair Fund:

- Transportation expenditures were overstated by \$585 due to incorrect recording of debt payments.

State Highway Fund:

- Beginning cash fund balance was understated by \$10,000 due to prior year adjustments not properly recorded.

Sewer Fund:

- Charges for Services was overstated by \$6,216 due to incorrect recording of local government receipts and property tax receipts.
- Other expenses were overstated by \$4,301 due to incorrectly recording interest expenditures.
- Principal expenses were overstated by \$5,802 due to incorrectly recording principal and interest expenditures.
- Interest expense were understated by \$10,734 due to incorrectly recording principal and interest expenditures.

The Village made additional errors in classifying receipt and disbursement transaction line items in various funds in the Statement of Receipts, Disbursements, and Changes in Fund Balances in amounts ranging from \$12 to \$3,674 in 2022 and ranging from \$23 to \$3,633 in 2021.

The Village corrected the financial statements and their accounting system, where applicable, for the above identified errors.

Failure to accurately post and report transactions could result in material errors in the Village's financial statements and reduces the Village's ability to monitor financial activity and to make sound decisions which effect the overall available cash positions of the Village.

The Village should review and implement internal controls to ensure financial transactions are accurately recorded and reported.

Officials' Responses:

The Village Officials did not respond to this finding.

FINDING NUMBER 2022-002

Material Weakness

Budgetary Amounts Posted to Accounting System

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Village and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amounts appropriated by the Council are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

Variances between approved amounts and amounts recorded in the accounting system at December 31, 2022 were as follows:

Fund	Amended Certificate Amount	Accounting System Amount	Variance
General	\$63,836	\$71,220	(\$7,384)
Street Construction, Maintenance and Repair	24,805	24,008	797
State Highway	2,016	1,552	464
Permissive Motor Vehicle License Tax	1,901	1,852	49
Sewer	152,000	165,000	(13,000)

Fund	Appropriation Resolution Amount	Accounting System Amount	Variance
General	\$0	\$84,370	(\$84,370)
Street Construction, Maintenance and Repair	0	39,000	(39,000)
State Highway	0	3,000	(3,000)
Permissive Motor Vehicle License Tax	0	8,000	(8,000)
Sewer	0	227,054	(227,054)

Variances between approved amounts and amounts recorded in the accounting system at December 31, 2021 were as follows:

**FINDING NUMBER 2022-002
 (Continued)**

Fund	Amended Certificate Amount	Accounting System Amount	Variance
General	\$51,506	\$73,211	(\$21,705)
Street Construction, Maintenance, Repair	22,205	23,003	(798)
State Highway	1,451	1,901	(450)
Permissive Motor Vehicle License Tax	2,051	1,850	201
Sewer	170,000	152,000	18,000

Fund	Appropriation Resolution Amount	Accounting System Amount	Variance
General	\$0	\$132,227	(\$132,227)
Street Construction, Maintenance, Repair	0	54,500	(54,500)
State Highway	0	3,000	(3,000)
Permissive Motor Vehicle Licenses Tax	0	7,000	(7,000)
Sewer	0	186,614	(186,614)

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. Council did not approve appropriations (and/or amendments thereof) for 2022 or 2021. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) was not properly posted to the accounting system.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Officials' Response:

The Village Officials did not respond to this finding.

FINDING NUMBER 2022-003

Material Weakness

Income Tax Receipts and Fees

Accurate and timely accounting and reconciliation procedures are key components of an effective accounting system and internal controls required to enable the Village to properly classify transactions, maintain accountability for funds, distribute funds accurately, and detect fraud and errors in a timely manner.

During fiscal year 2022 and 2021, the Village used the Regional Income Tax Agency (RITA) to administer their income tax. The Village did not always review the monthly Distribution Report for income taxes collected by RITA to ensure that accurate receipt and fee amounts were recorded in the accounting system.

This resulted in the Village recording income taxes at net of fees for all (or 100% of) receipts for fiscal year 2021 and 2022. During 2021 the Village understated the income tax receipts by \$46,937 and understated tax collection fees expense by \$3,633. During 2022 the Village understated the income tax receipts by \$45,379 and understated the tax collection fees expense by \$2,751. The Village corrected the financial statements and their accounting system, where applicable, for these errors.

The Village should review the monthly Distribution Reports from RITA and ensure that all receipts and fees are properly recorded.

Officials' Response:

The Village Officials did not respond to this finding.

FINDING NUMBER 2022-004

Noncompliance

Appropriation Resolution

Ohio Rev. Code § 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority desires to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1st.

The Village did not pass an appropriation measure for 2022 or 2021, nor were they filed with the County Auditor. Failure to adopt appropriations could result in overspending and negative cash fund balances.

The Village should pass an appropriation measure on or about the first day of each fiscal year. If the Village adopts a temporary measure, they shall adopt a permanent measure no later than April 1. In addition, approved appropriation measures should be filed with the County Auditor.

Officials' Response:

The Village Officials did not respond to this finding.

FINDING NUMBER 2022-005

Noncompliance

Expenditures Exceed Appropriations

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the following were found as of December 31, 2022:

Fund	Appropriations	Expenditures	Variance
General	\$0	\$77,633	(\$77,633)
Street Construction, Maintenance and Repair	0	11,121	(11,121)
State Highway	0	858	(858)
Permissive Motor Vehicle License Tax	0	1,873	(1,873)
Sewer	0	207,722	(207,722)

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the following were found as of December 31, 2021:

Fund	Appropriations	Expenditures	Variance
General	\$0	\$94,449	(\$94,449)
Street Construction, Maintenance and Repair	0	5,300	(5,300)
State Highway	0	473	(473)
Permissive Motor Vehicle License Tax	0	183	(183)
Sewer	0	148,983	(148,983)

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response:

The Village Officials did not respond to this finding.



Village of Adelphi

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 fiscalofficer@adelphiOhio.com

**VILLAGE OF ADELPHI
 ROSS COUNTY**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECMEBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Posting- Misclassified receipts	Not Corrected	Re-Issued 2022-001
2020-002	Ohio Rev. Code § 149.351(A) - Maintaining Supporting documentation for expenditures	Not Corrected	Re-Issued as a management letter recommendation.
2020-003	Ohio Rev. Code §§ 5705.41(B) and 5705.39 - Failure to file appropriations with County Auditor	Not corrected	Re-Issued 2022-004
2020-004	Ohio Rev. Code §§ 147.47(A) and 145.48(A) - Failure to remit retirement withholdings	Corrected	
2020-005	Improper account balances on bank reconciliations/untimely reconciliation	Corrected	
FFR – Cover Letter	Unsupported expenditures	Corrected	Attorney General Office abated the Finding for Recovery

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ADELPHI

ROSS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/15/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov