
Village of Adelphi

Ross County

Regular Audit

January 1, 1998 Through December 31, 1998

Fiscal Year Audited Under GAGAS: 1998

Village of Adelphi

Ross County

Regular Audit

January 1, 1998 Through December 31, 1998

Fiscal Year Audited Under GAGAS: 1998

MICHAEL A. BALESTRA, CPA, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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VILLAGE OF ADELPHI
ROSS COUNTY
JANUARY 1, 1998 THROUGH DECEMBER 31, 1998

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Village Council
Village of Adelphi
Adelphi, Ohio 43101

We have reviewed the Independent Auditor's Report of the Village of Adelphi, Ross County, prepared by Michael A. Balestra, CPA, Inc., for the audit period January 1, 1998 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

June 7, 2000

MICHAEL A. BALESTRA, CPA, INC.
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Ohio Society of Certified Public Accountants

Independent Auditor's Report

Village Council
Village of Adelphi
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, 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 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, 1998, 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 April 13, 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 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.

Michael A. Balestra, CPA, Inc.
Michael A. Balestra, CPA, Inc.

April 13, 2000

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, 1998**

	General	Special Revenue	Capital Project	(Memorandum Only) Total
Cash receipts:				
Local taxes	\$5,485	\$4,903	\$0	\$10,388
Intergovernmental	35,082	24,688	0	59,770
Fines, licenses, and permits	239	0	0	239
Miscellaneous	8,115	1,455	0	9,570
Total cash receipts	48,921	31,046	0	79,967
Cash disbursements:				
Current:				
Security of persons and property	2,484	2,233	0	4,717
Public health services	0	0	28,988	28,988
Basic utility services	10,644	0	0	10,644
General government	33,093	25,536	0	58,629
Total program disbursements	46,221	27,769	28,988	102,978
Total receipts over/(under) program disbursements	2,700	3,277	(28,988)	(23,011)
Other financing receipts/(disbursements):				
Proceeds from sale of public debt				
Sale of fixed assets	4,093	0	0	4,093
Other sources	0	0	20,536	20,536
Total other financing receipts/(disbursements)	4,093	0	20,536	24,629
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	6,793	3,277	(8,452)	1,618
Fund cash balances January 1, 1998	17,902	42,094	14,914	74,910
Fund cash balances, December 31, 1998	\$24,695	\$45,371	\$6,462	\$76,528

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

VILLAGE OF ADELPHI
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS

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.

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).

VILLAGE OF ADELPHI
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

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.

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.

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 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 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, 1998 was as follows:

	<u>1998</u>
Demand deposits	\$46,528
Certificates of deposit	<u>30,000</u>
Total deposits	<u>\$76,528</u>

Deposits are insured by the Federal Depository Insurance Corporation.

VILLAGE OF ADELPHI
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS

3. Budgetary Activity

Budgetary activity for the years ending December 31, 1998 was as follows:

1998 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$47,898	\$53,014	\$5,116
Special Revenue	40,424	31,046	(9,378)
Capital Projects	<u>20,536</u>	<u>20,536</u>	<u>0</u>
Total	<u>\$108,858</u>	<u>\$104,596</u>	<u>\$(4,262)</u>

1998 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$80,259	\$46,221	\$34,038
Special Revenue	141,425	27,769	113,656
Capital Projects	<u>50,386</u>	<u>28,988</u>	<u>21,398</u>
Total	<u>\$272,070</u>	<u>\$102,978</u>	<u>\$169,092</u>

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

5. Debt

Debt outstanding at December 31, 1998 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loans	\$153,835	0%

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$153,835 in loans to the Village for this project. Currently, the Village does not have a repayment schedule. The total loan amount is current as of December 31, 1998, but subject to change in subsequent fiscal years. The Village plans to acquire sufficient funds from the Ohio Public Works Commission (Issue II grants) to repay the outstanding loans in full.

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.

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

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Report on Compliance and on Internal Control required by Government Auditing Standards

Village Council
Village of Adelphi
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 years ended December 31, 1998. 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 and council members and is not intended to be and should not be used by any one other than these specified parties.

Michael A. Balestra, CPA, Inc.
Michael A. Balestra, CPA, Inc.

April 13, 2000

Village of Adelphi

Ross County

Single Audit

January 1, 1999 Through December 31, 1999

Fiscal Year Audited Under GAGAS: 1999

Village of Adelphi

Ross County

Single Audit

January 1, 1999 Through December 31, 1999

Fiscal Year Audited Under GAGAS: 1999

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VILLAGE OF ADELPHI
ROSS COUNTY
JANUARY 1, 1999 THROUGH DECEMBER 31, 1999

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Independent Auditor's Report

Village Council
Village of Adelphi
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, 1999. 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 cash and fund cash balances of the Village of Adelphi, Ross County, Ohio, as of December 31, 1999, and its 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 April 13, 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.

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.

Michael A. Balestra, CPA, Inc.
Michael A. Balestra, CPA, Inc.

April 13, 2000

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, 1999**

	General	Special Revenue	Capital Projects	(Memorandum Only) Total
Cash receipts:				
Local taxes	\$6,440	\$4,667	\$0	\$11,107
Intergovernmental	39,823	15,359	473,538	528,720
Miscellaneous	6,720	806	0	7,526
Total cash receipts	52,983	20,832	473,538	547,353
Cash disbursements:				
Current:				
Security of persons and property	1,913	2,620	0	4,533
Public health services	0	0	474,999	474,999
Basic utility services	10,625	0	0	10,625
General government	27,555	5,073	0	32,628
Debt Service:				
Redemption of principal	0	0	5,000	5,000
Total program disbursements	40,093	7,693	479,999	527,785
Total receipts over/(under) program disbursements	12,890	13,139	(6,461)	19,568
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	12,890	13,139	(6,461)	19,568
Fund cash balances January 1, 1999	24,695	45,371	6,462	76,528
Fund cash balances, December 31, 1999	\$37,585	\$58,510	\$1	\$96,096

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

VILLAGE OF ADELPHI
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS

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, including water and sewer utilities, park operations (leisure time activities), and police 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 ADEPHI
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

Capital Projects Funds

The capital projects funds are 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).

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.

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

OPWC Sewer Grant - This fund receives monies from OPWC 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.

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.

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 1999 and 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.

VILLAGE OF ADEPHI
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS

2. Equity in Pooled Cash and Investments

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31, 1999 and 1998 was as follows:

	<u>1999</u>
Demand deposits	\$66,096
Certificates of deposit	<u>30,000</u>
Total deposits	<u>\$96,096</u>

Deposits:

Deposits are insured by the Federal Depository Insurance Corporation.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 1999 was as follows:

1999 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$44,915	\$52,983	\$8,068
Special Revenue	19,958	20,832	874
Capital Projects	<u>2,666,485</u>	<u>473,538</u>	<u>(2,192,947)</u>
Total	<u>\$2,731,358</u>	<u>\$547,353</u>	<u>\$(2,184,005)</u>

1999 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$64,026	\$40,093	\$23,933
Special Revenue	18,634	7,693	10,941
Capital Projects	<u>1,675,906</u>	<u>479,999</u>	<u>1,195,907</u>
Total	<u>\$1,758,566</u>	<u>\$527,785</u>	<u>\$1,230,781</u>

VILLAGE OF ADEPHI
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS

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.

5. Debt

Debt outstanding at December 31, 1997 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loans	\$148,835	0%

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$153,835 in loans to the Village for this project. Currently, the Village does not have a repayment schedule. The total loan amount is current as of December 31, 1999, but subject to change in subsequent fiscal years. The Village plans to acquire sufficient funds from the Ohio Public Works Commission (Issue II grants) to repay the outstanding loans in full.

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.

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

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

Village of Adelphi
Ross County
Schedule of Federal Awards Expenditures
For the Fiscal Year Ended December 31, 1999

<u>Agency/Program Grant Title</u>	<u>Pass Through Entity #</u>	<u>CFDA #</u>	<u>Receipts</u>	<u>Disbursements</u>
<u>U.S. Department of Housing and Urban Development:</u>				
<u>Pass-through the Ohio Department of Development</u>				
Community Development Block Grant (Entitlement Grants)	N/A	14.228	<u>402,508</u>	<u>402,508</u>
Total Federal Expenditures			<u>402,508</u>	<u>402,508</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.

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Report on Compliance and on Internal Control required by Government Auditing Standards

Village Council
Village of Adelphi
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 years ended December 31, 1999. 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 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.

Michael A. Balestra, CPA, Inc.
Michael A. Balestra, CPA, Inc.

April 13, 2000

MICHAEL A. BALESTRA, CPA, INC.
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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
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, 1999. 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, 1999.

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.

Michael A. Balestra, CPA, Inc.
Michael A. Balestra, CPA, Inc.

April 13, 2000

VILLAGE OF ADELPHI

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

FOR THE YEAR ENDED DECEMBER 31, 1999

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):	Community Development Block Grant (Entitlement Grants) CFDA# 14.228
(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, 1999

**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

JIM PETRO, AUDITOR OF STATE

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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.

By: Susan Babbitt

Date: JUNE 20, 2000