

**VILLAGE OF HOPEDALE
HARRISON COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1998

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Hopedale
Harrison County
P.O. Box 476
105 East Main Street
Hopedale, Ohio 43976

To the Village Council:

We have audited the accompanying financial statements of the Village of Hopedale, Harrison County, Ohio, (the Village) as of and for the year ended December 31, 1998, as listed in the table of contents. 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 audit.

We conducted our audit 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 audit 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.

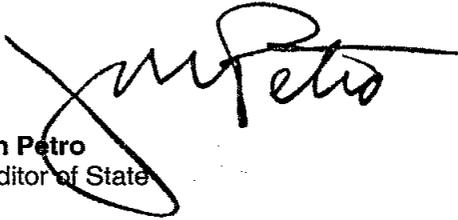
As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 1999 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, taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by 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.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is written in a cursive style with a large, sweeping initial "J".

Jim Petro
Auditor of State

December 17, 1999

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

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$29,850	\$0	\$0	\$0	\$29,850
Special Assessments	0	0	16,702	0	16,702
Intergovernmental Receipts	31,227	30,638	0	46,283	108,148
Fines, Licenses, and Permits	2,478	0	0	0	2,478
Earnings on Investments	3,660	0	0	0	3,660
Miscellaneous	6,870	0	0	0	6,870
Total Cash Receipts	74,085	30,638	16,702	46,283	167,708
Cash Disbursements:					
Current:					
Security of Persons and Property	17,172	0	0	0	17,172
Public Health Services	213	0	0	0	213
Community Environment	0	1,380	0	0	1,380
Transportation	31,632	29,030	0	0	60,662
General Government	50,266	0	0	0	50,266
Debt Service:	0	0	51,727	0	51,727
Capital Outlay	0	0	0	46,477	46,477
Total Disbursements	99,283	30,410	51,727	46,477	227,897
Total Receipts Over/(Under) Disbursements	(25,198)	228	(35,025)	(194)	(60,189)
Other Financing Receipts/(Disbursements):					
Transfers-In	70,387	3,000	28,353	0	101,740
Transfers-Out	(5,917)	0	0	0	(5,917)
Total Other Financing Receipts/(Disbursements)	64,470	3,000	28,353	0	95,823
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Sources	39,272	3,228	(6,672)	(194)	35,634
Fund Cash Balances, January 1	58,517	9,352	38,754	194	106,817
Fund Cash Balances, December 31	\$97,789	\$12,580	\$32,082	\$0	\$142,451
Reserves for Encumbrances, December 31	\$990	\$8	\$0	\$0	\$998

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

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

	Proprietary Fund Types	Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency	
Operating Cash Receipts:				
Charges for Services	\$264,592	\$0	\$0	\$264,592
Miscellaneous	0	5	0	5
Total Operating Cash Receipts	264,592	5	0	264,597
Operating Cash Disbursements:				
Personal Services	72,138	0	0	72,138
Fringe Benefits	18,638	0	0	18,638
Contractual Services	59,633	0	0	59,633
Supplies and Materials	79,307	0	0	79,307
Capital Outlay	280,758	0	0	280,758
Total Operating Cash Disbursements	510,474	0	0	510,474
Operating Income/(Loss)	(245,882)	5	0	(245,877)
Non-Operating Cash Receipts:				
Property Tax and Other Local Taxes	0	0	70,958	70,958
Intergovernmental Receipts	136,664	0	0	136,664
Proceeds from Notes and Bonds	180,952	0	0	180,952
Mayor's Court Receipts	0	0	1,713	1,713
Total Non-Operating Cash Receipts	317,616	0	72,671	390,287
Non-Operating Cash Disbursements:				
Mayor's Court Disbursements	0	0	1,713	1,713
Other Non-Operating Cash Disbursements	1,251	0	571	1,822
Total Non-Operating Cash Disbursements	1,251	0	2,284	3,535
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	70,483	5	70,387	140,875
Transfers-In	12,491	0	0	12,491
Transfers-Out	(37,927)	0	(70,387)	(108,314)
Net Receipts Over/(Under) Disbursements	45,047	5	0	45,052
Fund Cash Balances, January 1	73,996	224	0	74,220
Fund Cash Balances, December 31	\$119,043	\$229	\$0	\$119,272
Reserve for Encumbrances, December 31	\$1,936	\$0	\$0	\$1,936

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Hopedale, Harrison 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, water and sewer utilities, street maintenance, and police protection.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Village has interest and non-interest bearing checking accounts. Interest earned is recognized and recorded when received. Investment procedures are restricted by the provisions of the Ohio Revised Code. No other investments were held by the Village.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

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 fund:

Street Construction, Maintenance and Repair Fund- This fund receives intergovernmental receipts for the improvement and maintenance of the Village streets.

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service funds:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Ohio Water Development Authority (OWDA) Fund - This fund is used to account for monies received from special assessments for the payment of debt principal and interest.

Farmers Home Administration (FMHA) Fund - This fund is used for the payment of debt principal and interest that was issued for the construction of the sewage treatment plant.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Issue II Fund - This fund is used to account for monies received from the Ohio Public Works Commission that are used for capital outlay expenses.

4. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant enterprise funds:

Rural Development Sewer Improvement Loan Fund - This fund received proceeds from the sale of bonds which were used to pay for a portion of the sanitary sewer extension project.

Rural Development Sewer Improvement Grant Fund - This fund received grant money from Rural Development which was used to pay for a portion of the sanitary sewer extension project.

5. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Local Income Tax Fund - This fund receives local taxes generated from a 1% income tax ordinance.

Mayor's Court Fund - This fund receives fines and costs from the Village's Mayor's court; the receipts are distributed to the State of Ohio or to the Village's General Fund.

E. Budgetary Process

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

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

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

	<u>1998</u>
Demand deposits	<u>\$261,723</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Village.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 1998 follows:

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

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 135,201	\$ 144,472	\$ 9,271
Special Revenue	31,000	33,638	2,638
Debt Service	52,200	45,055	(7,145)
Capital Projects	970,000	46,283	(923,717)
Enterprise	316,000	594,699	278,699
Non-Expendable Trust	0	5	5
Total	<u>\$ 1,504,401</u>	<u>\$ 864,152</u>	<u>\$ (640,249)</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 133,500	\$ 106,190	\$ 27,310
Special Revenue	32,380	30,418	1,962
Debt Service	65,568	51,727	13,841
Capital Projects	554,242	46,477	507,765
Enterprise	766,900	551,588	215,312
Non-Expendable Trust	0	0	0
Total	<u>\$ 1,552,590</u>	<u>\$ 786,400</u>	<u>\$ 766,190</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

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

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

5. DEBT

Debt outstanding at December 31, 1998 was as follows:

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

5. DEBT (Continued)

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 212,262	5%
General Obligation Notes	13,074	5.6 - 6.25%
USDA Rural Development	225,000	4.875%
Total	\$ 450,336	

The Ohio Water Development Authority (OWDA) loan relates to a sewer line installation project for the Village. The OWDA approved \$386,312 in a loan to the Village for this project. The loan will be repaid in semiannual installments of \$9,894, including interest, over 25 years.

The general obligation notes were issued to purchase a street truck, water board truck, and tractor. The notes are renewed annually in the amount of the outstanding principal balance.

The USDA Rural Development loan was issued to pay for the sanitary sewer extension project. The loan principal and interest will be repaid in annual installments over 40 years.

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

Year ending December 31:	OWDA Loan	General Obligation Notes	USDA Rural Dev. Loan
1999	\$ 19,787	\$ 8,433	\$ 11,059
2000	19,787	5,466	12,969
2001	19,787	0	12,971
2002	19,787	0	13,069
2003	19,787	0	12,957
Subsequent	148,403	0	455,063
Total	\$ 247,338	\$ 13,899	\$ 518,088

6. RETIREMENT SYSTEMS

The employees of the Village were covered by the Public Employees Retirement System (PERS) of Ohio. PERS is a cost sharing, multiple-employer plans. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1998, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1998.

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

7. RISK MANAGEMENT

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

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

8. YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Village's operations as early as fiscal year 1999.

The Village leases the Auditor of State's Uniform Accounting Network (UAN) system for its financial operations. The Auditor of State is responsible for remediating these systems and is solely responsible for any costs associated with this project.

The utilities reporting system are purchased from Governmental Systems. Governmental Systems is responsible for remediating these systems. Governmental Systems reports that their software will be able to continue operation without extra charges for year 2000 compliance.

Harrison County collects property taxes for distribution. Harrison County is responsible remediating the tax collection and distribution system.

The State of Ohio distributes money to the Village in the form of Homestead and Rollback taxes and gasoline taxes. The state is responsible for remediation of the system.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Village is or will be Year 2000 ready, that the Village's remediation efforts will be successful in whole or in part, or that parties with whom the Village does business will be year 2000 ready.

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1998**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Ohio Department of Rural Development:</i>			
Water and Waste Disposal Systems for Rural Communities	N/A	10.760	<u>\$319,436</u>
Total U.S. Department of Agriculture			<u>319,436</u>
Total Expenditures of Federal Awards			<u>\$319,436</u>



STATE OF OHIO
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JIM PETRO, AUDITOR OF STATE

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

Village of Hopedale
Harrison County
P.O. Box 476
105 East Main Street
Hopedale, Ohio 43976

To the Village Council:

We have audited the accompanying financial statements of the Village of Hopedale, Harrison County, (the Village), as of and for the year ended December 31, 1998, and have issued our report thereon dated December 17, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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 *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to management of the Village in a separate letter dated December 17, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated December 17, 1999.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written over a large, stylized "X" mark.

Jim Petro
Auditor of State

December 17, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Village of Hopedale
Harrison County
P.O. Box 476
105 East Main Street
Hopedale, Ohio 43976

To the Village Council:

Compliance

We have audited the compliance of Village of Hopedale, Harrison County, (the Village) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 1998. The Village's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal program is the responsibility of Village's management. Our responsibility is to express an opinion on Village'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'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's compliance with those requirements.

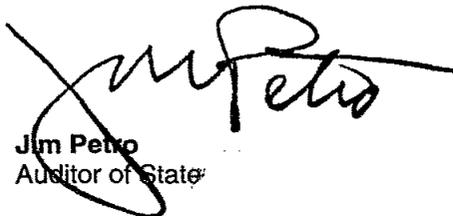
In our opinion, the Village complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1998.

Internal Control Over Compliance

The management of the Village 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'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.

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, regulations, 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 and use of management, Village Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Jim Petro
Auditor of State

December 17, 1999

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

DECEMBER 31, 1998

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 material non-compliance 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 § .510?	No
(d)(1)(vii)	Major Programs (list):	Water and Waste Disposal Systems for Rural Communities CFDA# 10.760
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

**DECEMBER 31, 1998
(Continued)**

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF HOPEDALE
HARRISON 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*
Clerk of the Bureau

Date: JAN 18 2000