

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY
Regular Audit
December 31, 2004 and 2003**



**Auditor of State
Betty Montgomery**

Village Council
Village of Senecaville
201 High Street
PO Box 5
Senecaville, Ohio 43780

We have reviewed the *Independent Accountant's Report* of the Village of Senecaville, Guernsey County, prepared by Perry & Associates CPA's, A.C., for the audit period January 1, 2003 to December 31, 2004. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountant's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountant's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Senecaville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

June 23, 2005

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**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY
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INDEPENDENT ACCOUNTANTS' REPORT

Village of Senecaville
Guernsey County
201 High Street
P.O. Box 5
Senecaville, OH 43780

To the Village Council of Senecaville:

We have audited the accompanying financial statements of Village of Senecaville, Guernsey County, (the Government) as of and for the year ended December 31, 2004 and 2003. These financial statements are the responsibility of the Government's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to reasonably assure 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 described more fully in Note 1, the government has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. For the year ended December 31, 2004, the Village was required to present the financial statements in accordance with a new reporting model. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Government as of December 31, 2004, or its changes in financial position for the year then ended.

Village of Senecaville
Guernsey County
Independent Accountants' Report
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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Village of Senecaville, Guernsey County, as of December 31, 2004 and 2003, 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 May 26, 2005, on our consideration of the Government'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. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Perry & Associates CPA's, A.C.
May 26, 2005

VILLAGE OF SENECAVILLE
GUERNSEY COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property Tax and Other Local Taxes	\$ 7,386	\$ 23,279	\$ -	\$ -	\$ 30,665
Special Assessments	-	-	30,520	-	30,520
Intergovernmental Receipts	20,183	23,869	-	38,969	83,021
Charges for Services	-	13,300	-	-	13,300
Fines, Licenses and Permits	-	17,192	-	-	17,192
Earnings on Investments	8,767	54	-	-	8,821
Miscellaneous	4,687	3,796	2,345	-	10,828
Total Cash Receipts	41,023	81,490	32,865	38,969	194,347
Cash Disbursements:					
Current:					
Security of Persons and Property	8,880	47,048	-	-	55,928
Public Health Services	46	-	-	-	46
Leisure Time Activities	4,838	-	-	-	4,838
Transportation	-	20,335	-	-	20,335
General Government	20,340	3,798	-	-	24,138
Debt Service	-	-	-	-	-
Principal Payments	-	-	32,392	-	32,392
Interest Payments	-	-	10,187	-	10,187
Capital Outlay	-	-	-	33,322	33,322
Total Cash Disbursements	34,104	71,181	42,579	33,322	181,186
Total Cash Receipts Over/(Under) Cash Disbursements	6,919	10,309	(9,714)	5,647	13,161
Other Financing Receipts/(Disbursements):					
Transfers-In	-	-	-	2,632	2,632
Transfers-Out	(2,632)	-	-	-	(2,632)
Total Other Financing Receipts/(Disbursements)	(2,632)	-	-	2,632	-
Excess of Cash and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	4,287	10,309	(9,714)	8,279	13,161
Fund Cash Balances, January 1	5,973	25,293	14,193	13,554	59,013
Fund Cash Balances, December 31	\$ 10,260	\$ 35,602	\$ 4,479	\$ 21,835	\$ 72,174
Reserve for Encumbrances, December 31	-	280	-	-	280

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

**VILLAGE OF SALESVILLE
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 118,780
Miscellaneous	-
Total Operating Cash Receipts	118,780
Operating Cash Disbursements:	
Personal Services	14,880
Fringe Benefits	3,448
Contractual Services	15,498
Supplies and Materials	4,783
Other	1,200
Capital Outlay	70,973
Total Operating Cash Disbursements	110,782
Operating Income/(Loss)	7,998
Non-Operating Cash Receipts/(Disbursements):	
Miscellaneous Receipts	229,114
Reduction in Principal	(28,800)
Interest and Other Charges	(50,455)
Other Financing Uses	(50,000)
Total Non-Operating Receipts/(Disbursements)	99,859
Net Receipts Over/(Under) Disbursements	107,857
Fund Cash Balances, January 1	253,603
Fund Cash Balances, December 31	\$ 361,460
Reserve for Encumbrances, December 31	\$ 10,500

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

VILLAGE OF SENECAVILLE
GUERNSEY COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$ 6,790	\$ 23,818	\$ -	\$ -	\$ 30,608
Special Assessments	-	-	28,386	-	28,386
Intergovernmental Receipts	19,365	19,316	-	6,997	45,678
Charges for Services	-	13,500	-	-	13,500
Fines, Licenses and Permits	-	13,692	-	-	13,692
Earnings on Investments	2,632	70	-	-	2,702
Miscellaneous	632	15,748	-	-	16,380
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Total Cash Receipts	29,419	86,144	28,386	6,997	150,946
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Cash Disbursements:					
Current:					
Security of Persons and Property	7,365	51,322	-	-	58,687
Public Health Services	97	-	-	-	97
Leisure Time Activities	-	-	-	-	-
Transportation	-	31,384	-	-	31,384
General Government	21,650	2,760	-	-	24,410
Debt Service	-	-	-	-	-
Principal Payments	-	-	10,563	-	10,563
Interest Payments	-	-	3,630	-	3,630
Capital Outlay	-	16,907	-	13,875	30,782
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Total Cash Disbursements	29,112	102,373	14,193	13,875	159,553
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Total Cash Receipts Over/(Under) Cash Disbursements	307	(16,229)	14,193	(6,878)	(8,607)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Other Financing Receipts/(Disbursements):					
Transfers-In	-	-	-	3,594	3,594
Transfers-Out	(3,594)	-	-	-	(3,594)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(3,594)	-	-	3,594	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess of Cash and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(3,287)	(16,229)	14,193	(3,284)	(8,607)
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Fund Cash Balances, January 1	9,260	41,522	-	16,838	67,620
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Fund Cash Balances, December 31	\$ 5,973	\$ 25,293	\$ 14,193	\$ 13,554	\$ 59,013
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Reserve for Encumbrances, December 31	\$ -	\$ -	\$ -	\$ -	\$ -
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The notes to the financial statements are an integral part of this statement.

**VILLAGE OF SALESVILLE
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 103,945
Miscellaneous	-
Total Operating Cash Receipts	103,945
Operating Cash Disbursements:	
Personal Services	11,297
Fringe Benefits	2,365
Contractual Services	14,006
Supplies and Materials	1,205
Other	6,785
Capital Outlay	925
Total Operating Cash Disbursements	36,583
Operating Income/(Loss)	67,362
Non-Operating Cash Receipts/(Disbursements):	
Miscellaneous Receipts	51
Reduction in Principal	-
Interest and Other Charges	(48,005)
Other Financing Uses	(200,000)
Total Non-Operating Receipts/(Disbursements)	(247,954)
Net Receipts Over/(Under) Disbursements	(180,592)
Fund Cash Balances, January 1	434,195
Fund Cash Balances, December 31	\$ 253,603
Reserve for Encumbrances, December 31	\$ 8,545

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

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Senecaville, Guernsey 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 the maintenance of roads, police and fire protection services and sewer operations.

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 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. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village has 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.

Fire Fund – This fund receives fire levy monies to be used by the volunteer fire department for fire protection services of the Village.

Police Fund – This fund receives tax money and fines for providing police protection for the Village.

VILLAGE OF SENECAVILLE
GUERNSEY COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

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 Fund:

Special Assessment Debt Service Fund – This fund receives special assessment monies for the repayment of debt related to sewer engineering costs.

4. 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 has the following significant Capital Project Funds:

Sewer Construction Fund – This fund receives grant revenue and bond proceeds to finance the construction of the Village sewer.

5. 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 Fund:

Sewer Operating Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

D. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

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

2. Estimated Resources

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

**VILLAGE OF SENECVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did encumber all commitments required by Ohio law.

A summary of 2004 and 2003 budgetary activity appears in Note 7.

E. 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. The carrying amount of cash at December 31 was as follows:

	<u>2004</u>	<u>2003</u>
Demand deposits	<u>\$433,632.</u>	<u>\$312,616.</u>
Total deposits	<u>\$433,632.</u>	<u>\$312,616.</u>

Deposits are entirely insured by the Federal Deposit Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

3. PROPERTY TAXES

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. The second half payment is due the following June 20.

Tangible personal property taxes are 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 SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

(Continued)

4. RETIREMENT SYSTEMS

The Village's officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multi-employer plan. 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 2004 and 2003, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2004 and 2003. The Village has paid all contributions required through December 31, 2004.

Contributions:	<u>2004</u>	<u>2003</u>
Village	\$ 5,252	\$ 5,206
Employees	<u>3,295</u>	<u>3,300</u>
	<u>\$ 8,547</u>	<u>\$ 8,560</u>

5. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

Comprehensive property and general liability;

Vehicles; and

Errors and omissions.

6. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal and state governments. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

VILLAGE OF SENECVILLE
 GUERNSEY COUNTY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2004 AND 2003
 (Continued)

7. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 39,744	\$ 41,023	\$ 1,279
Special Revenue	72,585	81,490	8,905
Debt Service	32,320	32,865	545
Capital Projects	41,557	41,601	44
Enterprise	333,000	347,894	14,894
Total	<u>\$ 519,206</u>	<u>\$ 544,873</u>	<u>\$ 25,667</u>

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 40,317	\$ 36,737	\$ 3,580
Special Revenue	97,378	71,462	25,916
Debt Service	46,513	42,580	3,933
Capital Projects	55,112	33,322	21,790
Enterprise	586,603	250,537	336,066
Total	<u>\$ 825,923</u>	<u>\$ 434,638</u>	<u>\$ 391,285</u>

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 32,184	\$ 29,419	\$ (2,765)
Special Revenue	74,227	86,144	11,917
Debt Service	28,386	28,386	-
Capital Projects	123,887	10,591	(113,296)
Enterprise	98,000	103,996	5,996
Total	<u>\$ 356,684</u>	<u>\$ 258,536</u>	<u>\$ (98,148)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 42,477	\$ 32,707	\$ 9,770
Special Revenue	114,879	102,373	12,506
Debt Service	28,386	14,193	14,193
Capital Projects	137,815	13,875	123,940
Enterprise	531,800	293,133	238,667
Total	<u>\$ 855,357</u>	<u>\$ 456,281</u>	<u>\$ 399,076</u>

VILLAGE OF SENECAVILLE
 GUERNSEY COUNTY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2004 AND 2003
 (Continued)

8. Debt

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 287,036	2.20%
Ohio Public Works Commission Loan	196,776	0.00%
Sanitary Sewer Mortgage Revenue Bonds	864,000	4.50%
Total	\$ 1,347,813	

The Ohio Water Development Authority (OWDA) loan relates to a sewer construction project for the creation of the Village sewer system. The loan will be repaid in semiannual installments of \$14,193.22, including interest, over 20 years. The Village has agreed to set special assessments sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission loan related to the construction of the Village sewer system. The loan will be repaid in semi-annual installments of \$5,787.54, over 20 years. The loan is collateralized by sewer receipts. The Village has agreed to set sewer rates sufficient to cover the debt service requirements.

The Sanitary Sewer System Mortgage Revenue Bonds relate to the construction of the Village sewer system. The Village began repayment of the loan in June 2003. The bonds are secured by the revenues generated by the sewer system and a mortgage upon the sewer system. The Village has agreed to set sewer rates sufficient to cover the debt service requirements.

As required by the mortgage revenue bond covenant, the Village has established and funded a "Sewer Debt Sinking Fund", "Sewer Debt Reserve Fund" and a "Sewer Surplus Fund".

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

	OWDA Loan	OPWC Loan	Sanitary Sewer System Mortgage Revenue Bonds
Year ending December 31:			
2005	\$ 28,386	\$ 11,576	\$ 47,880
2006	28,386	11,576	47,875
2007	28,386	11,576	47,852
2008	28,386	11,576	47,811
2009	28,386	11,576	47,952
2010-2014	141,932	57,880	239,261
2015-2019	42,580	57,880	239,386
2020-2024		23,136	239,285
2025-2029			239,362
2030-2034			239,375
2035-2039			239,293
2040-2042			143,615
	\$ 326,442	\$ 196,776	\$ 1,818,945

Village of Senecaville
Guernsey County
201 High Street
P.O. Box 5
Senecaville, Ohio 43780

May 26, 2005

Village Council:

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

We have audited the financial statements of the Village of Senecaville, Guernsey County (the Village) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated May 26, 2005, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Village's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

COMPLIANCE

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

Respectfully submitted,

Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003**

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

No Findings

VILLAGE OF SENECAVILLE
GUERNSEY COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 AND 2001

Finding Number 2002-31030-001

ORC 5705.36 – failure to obtain amended certification of estimated resources.

Fully Corrected: YES

Finding is no longer valid

Finding Number 2002-31030-002

ORC 5705.39 – appropriations exceeded estimated resources.

Fully Corrected: Yes

Finding is no longer valid

Finding Number 2002-31030-003

ORC 5705.40 – appropriations exceeded approved appropriations.

Fully Corrected: YES

Finding is no longer valid

Finding Number 2002-31030-004

ORC 5705.41(B) – expenditures exceeded approved appropriations.

Fully Corrected: YES

Finding is no longer valid



**Auditor of State
Betty Montgomery**

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VILLAGE OF SENECAVILLE

GUERNSEY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 5, 2005**