



**VILLAGE OF ADENA
JEFFERSON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF ADENA
JEFFERSON COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Adena
Jefferson County
P. O. Box 507
Adena, Ohio 43901-0507

To the Village Council:

We have audited the accompanying financial statements of the Village of Adena, Jefferson County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 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 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 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Adena as of December 31, 2000 and 1999, 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 July 24, 2001 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

July 24, 2001

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VILLAGE OF ADENA
JEFFERSON COUNTY

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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property Tax and Other Local Taxes	\$21,733	\$28,384			\$50,117
Intergovernmental Receipts	64,683	36,298		\$112,000	212,981
Fines, Licenses, and Permits	1,128				1,128
Miscellaneous	19,000				19,000
Total Cash Receipts	106,544	64,682		112,000	283,226
Cash Disbursements:					
Current:					
Security of Persons and Property	35,906				35,906
Public Health Services	640				640
Leisure Time Activities	36,673				36,673
Community Environment	150				150
Transportation		74,798			74,798
General Government	49,071	380			49,451
Debt Service			\$53,163		53,163
Capital Outlay		13,165		112,000	125,165
Total Cash Disbursements	122,440	88,343	53,163	112,000	375,946
Total Receipts Over/(Under) Disbursements	(15,896)	(23,661)	(53,163)		(92,720)
Other Financing Receipts/(Disbursements):					
Transfers-In			53,163		53,163
Total Other Financing Receipts/(Disbursements)			53,163		53,163
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(15,896)	(23,661)			(39,557)
Fund Cash Balances, January 1	17,340	34,272	20,000		71,612
Fund Cash Balances, December 31	\$1,444	\$10,611	\$20,000		\$32,055

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

**VILLAGE OF ADENA
JEFFERSON COUNTY**

**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, 2000**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$283,852		\$283,852
Miscellaneous	20,246		20,246
Total Operating Cash Receipts	<u>304,098</u>		<u>304,098</u>
Operating Cash Disbursements:			
Personal Services	65,049		65,049
Contractual Services	177,521		177,521
Supplies and Materials	26,261		26,261
Capital Outlay	1,423		1,423
Total Operating Cash Disbursements	<u>270,254</u>		<u>270,254</u>
Operating Income/(Loss)	<u>33,844</u>		<u>33,844</u>
Non-Operating Cash Receipts:			
Mayor's Court Receipts		\$1,493	1,493
Total Non-Operating Cash Receipts		<u>1,493</u>	<u>1,493</u>
Non-Operating Cash Disbursements:			
Mayor's Court Disbursements		1,248	1,248
Total Non-Operating Cash Disbursements		<u>1,248</u>	<u>1,248</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	33,844	245	34,089
Transfers-Out	<u>(53,163)</u>		<u>(53,163)</u>
Net Receipts Over/(Under) Disbursements	(19,319)	245	(19,074)
Fund Cash Balances, January 1	<u>26,475</u>		<u>26,475</u>
Fund Cash Balances, December 31	<u>\$7,156</u>	<u>\$245</u>	<u>\$7,401</u>

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

**VILLAGE OF ADENA
JEFFERSON 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**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$21,840	\$29,030		\$50,870
Intergovernmental Receipts	55,018	37,402		92,420
Fines, Licenses, and Permits	2,465			2,465
Miscellaneous	27,234	11,109		38,343
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	106,557	77,541		184,098
Cash Disbursements:				
Current:				
Security of Persons and Property	27,339	6,780		34,119
Public Health Services	640			640
Leisure Time Activities	3,365			3,365
Community Environment	150			150
Transportation		33,196		33,196
General Government	39,642	366		40,008
Debt Service			\$59,185	59,185
Capital Outlay		18,764		18,764
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	71,136	59,106	59,185	189,427
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	35,421	18,435	(59,185)	(5,329)
Other Financing Sources/(Uses):				
Other Uses	(23,894)	(4,220)		(28,114)
Transfers-In			59,185	59,185
Transfers-Out	(5,109)			(5,109)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources/(Uses)	(29,003)	(4,220)	59,185	25,962
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	<hr/>	<hr/>	<hr/>	<hr/>
	6,418	14,215		20,633
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	10,922	20,057	20,000	50,979
Fund Cash Balances, December 31	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$17,340	\$34,272	\$20,000	\$71,612

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

**VILLAGE OF ADENA
JEFFERSON COUNTY**

**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, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$280,050		\$280,050
Miscellaneous	57,219		57,219
Total Operating Cash Receipts	<u>337,269</u>		<u>337,269</u>
Operating Cash Disbursements:			
Personal Services	57,629		57,629
Transportation	27,287		27,287
Contractual Services	159,865		159,865
Supplies and Materials	27,455		27,455
Miscellaneous	1,794		1,794
Total Operating Cash Disbursements	<u>274,030</u>		<u>274,030</u>
Operating Income/(Loss)	<u>63,239</u>		<u>63,239</u>
Non-Operating Cash Receipts:			
Special Assessment Taxes Receipts	2,811		2,811
Mayor's Court Receipts		\$2,825	2,825
Total Non-Operating Cash Receipts	<u>2,811</u>	<u>2,825</u>	<u>5,636</u>
Non-Operating Cash Disbursements:			
Mayor's Court Disbursements		2,825	2,825
Total Non-Operating Cash Disbursements		<u>\$2,825</u>	<u>2,825</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	66,050		66,050
Transfers-Out	<u>(54,076)</u>		<u>(54,076)</u>
Net Receipts Over/(Under) Disbursements	11,974		11,974
Fund Cash Balances, January 1	<u>14,501</u>		<u>14,501</u>
Fund Cash Balances, December 31	<u>\$26,475</u>		<u>\$26,475</u>

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

**VILLAGE OF ADENA
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Adena, Jefferson 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, street maintenance and repair, park operations (leisure time activities), and police protection. The Village contracts with a volunteer fire department to provide fire protection within 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 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

Certificates of deposit are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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 Funds:

**VILLAGE OF ADENA
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Fire Levy Fund - This fund receives tax monies for fire protection within the Village.

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:

Sewer Bond Debt Service Fund - This fund receives transfers from the sewer fund to pay sewer debt.

Water Bond Debt Service Fund - This fund receives transfers from the water fund to pay water debt.

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 had the following significant Capital Project Fund:

Devore Street Capital Project Fund - This fund receives intergovernmental receipts which were used to widen and resurface Devore Street.

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 Funds:

Water Revenue Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

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

6. Fiduciary Funds (Agency Fund)

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 fund:

Mayor's Court Fund - This fund receives monies from the payment of fines.

**VILLAGE OF ADENA
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

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. Budgetary expenditures exceeded appropriations contrary to Ohio Revised Code § 5705.41 (B).

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled and reappropriated in the subsequent year. The Village did not consistently use the encumbrance method of accounting contrary to Ohio Revised Code § 5705.41(D).

A summary of 2000 and 1999 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>2000</u>	<u>1999</u>
Demand deposits	\$ 19,456	\$ 78,087
Certificates of deposit	<u>20,000</u>	<u>20,000</u>
Total deposits	<u>\$ 39,456</u>	<u>\$ 98,087</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

**VILLAGE OF ADENA
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 110,181	\$ 106,544	\$ (3,637)
Special Revenue	63,360	64,682	1,322
Debt Service	53,869	53,163	(706)
Capital Projects	0	112,000	112,000
Enterprise	318,000	304,098	(13,902)
Total	<u>\$ 545,410</u>	<u>\$ 640,487</u>	<u>\$ 95,077</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 82,592	\$ 122,440	\$ (39,848)
Special Revenue	83,619	88,343	(4,724)
Debt Service	53,205	53,163	42
Capital Projects	0	112,000	(112,000)
Enterprise	344,475	323,417	21,058
Total	<u>\$ 563,891</u>	<u>\$ 699,363</u>	<u>\$ (135,472)</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 106,401	\$ 106,557	\$ 156
Special Revenue	93,637	77,541	(16,096)
Debt Service	62,777	59,185	(3,592)
Enterprise	322,049	340,080	18,031
Total	<u>\$ 584,864</u>	<u>\$ 583,363</u>	<u>\$ (1,501)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 85,990	\$ 100,139	\$ (14,149)
Special Revenue	72,835	63,326	9,509
Debt Service	60,377	59,185	1,192
Enterprise	331,137	328,106	3,031
Total	<u>\$ 550,339</u>	<u>\$ 550,756</u>	<u>\$ (417)</u>

**VILLAGE OF ADENA
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

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.

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, 2000 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan (PW-88)	\$ 98,255	8.04%
Ohio Water Development Authority Loan (PW-90)	67,369	7.96%
Sewer Revenue Bonds	136,950	4.00% - 4.50%
Water Revenue Bonds	112,000	5.00%
Total	\$ 414,574	

The two Ohio Water Development Authority (OWDA) loans were issued for long term construction projects of the Village's sewer system and were issued for twenty-five years each. Property and revenue of the Village have been pledged to repay the loans.

The sewer revenue bonds and the water revenue bonds were issued to pay for sewer and water projects within the Village. Future sewer and water utility revenue have been pledged to repay the bonds.

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

Year ending December 31:	OWDA Loans	Sewer Revenue Bonds	Water Revenue Bonds
2001	\$ 20,048	\$ 21,647	\$ 10,600
2002	20,048	22,987	11,350
2003	20,048	23,247	11,050
2004	20,048	22,462	10,750
2005	20,048	23,677	10,450
Subsequent	188,288	46,709	107,350
Total	\$ 288,528	\$ 160,729	\$ 161,550

**VILLAGE OF ADENA
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide 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 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% during 1999 and 10.84% during 2000 of participants' gross salaries. The Village has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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



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

Village of Adena
Jefferson County
P. O. Box 507
Adena, Ohio 43901-0507

To the Village Council:

We have audited the accompanying financial statements of the Village of Adena, Jefferson County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated July 24, 2001. 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.

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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-31241-001 and 2000-31241-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated July 24, 2001.

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. 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 July 24, 2001.

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.

Jim Petro
Auditor of State

July 24, 2001

VILLAGE OF ADENA
JEFFERSON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999

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

FINDING NUMBER 2000-31241-001

Ohio Revised Code § 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated.

Expenditures exceeded appropriations in the General Fund by 16% during 1999 and 48% during 2000.

The Village Clerk/Treasurer should monitor expenditures by comparing the expenditures to appropriations and should approach Village Council to request amendments to the original appropriations as necessary to guard against overspending.

FINDING NUMBER 2000-31241-002

Ohio Revised Code § 5705.41 (D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The amount so certified shall be recorded against the applicable appropriation account.

This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Village may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than one thousand dollars the fiscal officer issues a certificate, but may authorize it to be paid without the affirmation of the Council.

Liabilities, contracts, or open purchase commitments tested were not certified by the fiscal officer prior to the purchase and were not encumbered until the time of payment during 2000 by 27% and by 23% during 1999 and neither of exceptions available to the Village was used.

Failure to certify the availability of funds and encumber appropriations could result in overspending and negative cash balances. The Village should obtain approved purchase orders which include the fiscal officer's certification that the amount required to meet the obligation has been lawfully appropriated and authorized prior to making a commitment.

**VILLAGE OF ADENA
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000 AND 1999**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-31241-01	Finding for Recovery - Expenditures were not properly supported	Yes	Finding was repaid to the Village.
1998-31241-02	Finding for Recovery- Clerk was overcompensated	Yes	Finding was repaid to the Village.
1998-31241-03	ORC § 5704.41 (D) Expenditures were not properly certified	No	Partially corrected
1998-31241-04	ORC § 149.351 All Village records were not maintained	Yes	
1998-31241-05	ORC § 733.28 The Village Clerk/ Treasurer did not keep accurate records.	Yes	
1998-31241-06	The Village should require dual signatures on all checks.	Yes	
1998-31241-08	Council should implement a policy that would prohibit payroll checks to be issued before the time has been worked.	Yes	
1998-31241-07	Payroll expenditures should be approved by Council before checks are issued.	Yes	
1998-31241-09	Village Clerk/Treasurer should reconcile balances monthly using only amounts that can be documented.	Yes	



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF ADENA

JEFFERSON 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
OCTOBER 11, 2001**