



**VILLAGE OF ASHLEY  
DELAWARE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



VILLAGE OF ASHLEY  
DELAWARE COUNTY

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Village of Ashley  
Delaware County  
101 East High Street  
Ashley, Ohio 43003

To the Village Council:

We have audited the accompanying financial statements of the Village of Ashley, Delaware County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 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 audits provide 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 Ashley, Delaware County, Ohio as of December 31, 2000 and December 31, 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 March 13, 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 that audit.

This report is intended solely for the information and use of the management, the Board 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

March 13, 2001

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**VILLAGE OF ASHLEY  
DELAWARE 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**

	General	Special Revenue	(Memorandum Only) Total
Cash receipts:			
Property tax and other local taxes	\$44,402	\$85,853	\$130,255
Intergovernmental receipts	84,664	60,055	144,719
Charges for services	128,689	0	128,689
Fines, licenses, and permits	4,585	0	4,585
Miscellaneous	18,603	10,168	28,771
Total cash receipts	280,943	156,076	437,019
Cash disbursements:			
Current:			
Security of persons and property	147,275	85,239	232,514
Leisure time activities	8,386	6,575	14,961
Community environment	2,354	0	2,354
Basic utility services	54,847	0	54,847
Transportation	0	55,526	55,526
General government	47,781	12,649	60,430
Capital outlay	0	1,200	1,200
Total disbursements	260,643	161,189	421,832
Total receipts over/(under) disbursements	20,300	(5,113)	15,187
Other financing receipts/(disbursements):			
Loan Proceeds	9,500	0	9,500
Total other financing receipts/(disbursements)	9,500	0	9,500
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	29,800	(5,113)	24,687
Fund cash balances, January 1	104,414	79,474	183,888
Fund cash balances, December 31	\$134,214	\$74,361	\$208,575

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

VILLAGE OF ASHLEY  
DELAWARE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN FUND CASH BALANCE - ENTERPRISE FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000

Operating cash receipts:	
Charges for services	<u>\$334,787</u>
Total operating cash receipts	<u>334,787</u>
Operating cash disbursements:	
Personal services	129,510
Contractual services	39,612
Supplies and materials	74,971
Capital outlay	<u>55,515</u>
Total operating cash disbursements	<u>299,608</u>
Operating income/(loss)	<u>35,179</u>
Non-operating cash receipts:	
Interest	10,344
Proceeds from notes	8,767
Other	<u>5,500</u>
Total non-operating cash receipts	<u>24,611</u>
Non-operating cash disbursements:	
Debt Service	84,965
Other	<u>6,300</u>
Total non-operating cash disbursements	<u>91,265</u>
Net receipts over/(under) disbursements	(31,475)
Fund cash balances, January 1	<u>253,533</u>
Fund cash balances, December 31	<u><u>\$222,058</u></u>

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



**VILLAGE OF ASHLEY  
DELAWARE 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	(Memorandum Only) Total
Cash receipts:			
Property tax and other local taxes	\$51,285	\$86,027	\$137,312
Intergovernmental receipts	81,878	54,493	136,371
Charges for services	122,889	0	122,889
Fines, licenses, and permits	3,703	3,426	7,129
Miscellaneous	17,867	25,927	43,794
Total cash receipts	277,622	169,873	447,495
Cash disbursements:			
Current:			
Security of persons and property	157,388	72,653	230,041
Leisure time activities	19,651	6,566	26,217
Community environment	1,430	0	1,430
Basic utility services	44,684	0	44,684
Transportation	0	61,846	61,846
General government	37,330	15,262	52,592
Capital outlay	0	2,000	2,000
Total disbursements	260,483	158,327	418,810
Total receipts over/(under) disbursements	17,139	11,546	28,685
Fund cash balances, January 1	87,275	67,928	155,203
Fund cash balances, December 31	\$104,414	\$79,474	\$183,888

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

VILLAGE OF ASHLEY  
DELAWARE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN FUND CASH BALANCE - ENTERPRISE FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1999

Operating cash receipts:	
Charges for services	<u>\$337,584</u>
Total operating cash receipts	<u>337,584</u>
Operating cash disbursements:	
Personal services	142,008
Contractual services	31,569
Supplies and materials	61,358
Capital outlay	<u>140,241</u>
Total operating cash disbursements	<u>375,176</u>
Operating income/(loss)	<u>(37,592)</u>
Non-operating cash receipts:	
Interest	8,346
Proceeds from notes	115,733
Other	<u>4,900</u>
Total non-operating cash receipts	<u>128,979</u>
Non-operating cash disbursements:	
Debt Service	84,665
Other	<u>4,500</u>
Total non-operating cash disbursements	<u>89,165</u>
Net receipts over/(under) disbursements	2,222
Fund cash balances, January 1	<u>251,311</u>
Fund cash balances, December 31	<u><u>\$253,533</u></u>

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

**VILLAGE OF ASHLEY  
DELAWARE 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 Ashley, Delaware 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 and police services.

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

See Note 8 for a description of the Village's related organization, Ashley Union Cemetery.

**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**

Certificates of deposit are valued at cost.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash 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:

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

Fire Equipment Fund - This fund receives levied monies and are being used to maintain, repair, and purchase fire equipment.

**VILLAGE OF ASHLEY  
DELAWARE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

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

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

**E. 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 fund, function and 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 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 re-appropriated in the subsequent year.

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.

**VILLAGE OF ASHLEY  
DELAWARE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

**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 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 343,133	\$ 349,921
Certificates of deposit	<u>87,500</u>	<u>87,500</u>
Total deposits	<u><u>430,633</u></u>	<u><u>437,421</u></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 years ending December 31, 2000 and December 31, 1999 are as follows:

<b>2000 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$259,571	\$290,443	\$30,872
Special Revenue	139,596	156,076	16,480
Enterprise	<u>383,086</u>	<u>359,398</u>	<u>(23,688)</u>
Total	<u><u>\$782,253</u></u>	<u><u>\$805,917</u></u>	<u><u>\$23,664</u></u>

<b>2000 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$334,600	\$260,643	\$73,957
Special Revenue	203,609	161,189	42,420
Enterprise	<u>493,221</u>	<u>390,873</u>	<u>102,348</u>
Total	<u><u>\$1,031,430</u></u>	<u><u>\$812,705</u></u>	<u><u>\$218,725</u></u>

**VILLAGE OF ASHLEY  
DELAWARE COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

<b>1999 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$226,286	\$277,622	\$51,336
Special Revenue	136,208	169,873	33,665
Enterprise	310,500	466,563	156,063
Total	\$672,994	\$914,058	\$241,064

<b>1999 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$304,050	\$260,483	\$43,567
Special Revenue	191,484	158,327	33,157
Enterprise	501,421	464,341	37,080
Total	\$996,955	\$883,151	\$113,804

**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	\$ 334,007	7.77%
Sewer Revenue Bonds	377,000	5.00%
Pool Promissory Note	8,500	6.00%
Ohio Public Works Commission Promissory Note	193,500	0.00%
Total	\$ 913,007	

**VILLAGE OF ASHLEY  
DELAWARE COUNTY**

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

**5. DEBT (Continued)**

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 Sewer Revenue Bonds relates to Sewer Upgrades and the Ohio Public Works Commission(OPWC) Promissory Note relates to the Wastewater Treatment Plant Upgrade's. The OWDA loan, Sewer Bond, and OPWC note is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover the OWDA, Sewer Revenue, and OPWC debt service requirements. The pool promissory note was issued to finance the repair of the Village community pool. This note is collateralized solely by the Village's taxing authority.

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

Year ending December 31:	OWDA Loan	Sewer Revenue Bonds	Promissory Notes	OPWC Promissory Note
2001	\$ 25,183	\$ 34,850	\$ 3,647	\$ 9,675
2002	50,365	34,050	4,893	9,675
2003	50,365	35,250	0	9,675
2004	50,365	35,350	0	9,675
2005	50,365	34,400	0	9,675
Subsequent	<u>100,731</u>	<u>382,600</u>	<u>0</u>	<u>145,125</u>
Total	<u>\$ 327,374</u>	<u>\$ 556,500</u>	<u>\$ 8,540</u>	<u>\$ 193,500</u>

**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% and 10.84% of participants' gross salaries in 1999 and 2000, respectively. 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
- Public official's liability

**VILLAGE OF ASHLEY  
DELAWARE COUNTY**

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

**8. RELATED ORGANIZATION**

The Ashley Union Cemetery is considered a related organization of the Village. The Cemetery is considered a related organization because the Village appoints a Cemetery Board Member and provides one-half of the Cemetery's financial support. The financial statements of the Cemetery can be obtained by writing Mary Ogg, Clerk, at 8191 Ashley Road, Ashley, Ohio 43003.

**9. SUBSEQUENT EVENTS**

As of January 1, 2001 the Ashley Volunteer Fire Department became the Elm Valley Joint Fire District. The Trustees of the Village will serve on the governing Board of the Fire District, along with the Trustees from Oxford Township, Peru Township, and Westfield Township. The Fire District will be funded by a 2.4 mill levy that will be assessed on all participating entities' residents. Beginning January 1, 2001, the Fire District will be considered a jointly governed organization of the Township. The Elm Valley Joint Fire District will serve in the same capacity as the Ashley Volunteer Fire Department to provide fire and ambulance services to the Village.





**STATE OF OHIO  
OFFICE OF THE AUDITOR**

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

Village of Ashley  
Delaware County  
101 East High Street  
Ashley, Ohio 43003

To the Village Council:

We have audited the accompanying financial statements of the Village of Ashley, Delaware County, Ohio (the Village), as of and for the years ended December 31, 2000, and December 31, 1999, and have issued our report thereon dated March 13, 2001. 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.

**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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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 that we have reported to management of the Village in a separate letter dated March 13, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audits, 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 certain 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 March 13, 2001.

Village of Ashley  
Delaware County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the management, and the 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

March 13, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF ASHLEY**

**DELAWARE 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  
APRIL 17, 2001**