



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

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**STATE OF OHIO**



VILLAGE OF ATTICA  
SENECA COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Attica  
Seneca County  
20 South Main Street  
P.O. Box 564  
Attica, Ohio 44807-0564

To the Village Council:

We have audited the accompanying financial statements of the Village of Attica, Seneca County, Ohio, (the Village) as of and for the year ended December 31, 2000. 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 financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 2000, 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 June 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 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

June 13, 2001

**VILLAGE OF ATTICA  
SENECA COUNTY**

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

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$27,105	\$59,140	\$15,627		\$101,872
Intergovernmental Receipts	78,073	45,370	1,977		125,420
Charges for Services		11,388			11,388
Fines, Licenses, and Permits	5,512	4,133			9,645
Earnings on Investments	8,400	787	21	\$6,231	15,439
Miscellaneous	5,637	189			5,826
	<u>124,727</u>	<u>121,007</u>	<u>17,625</u>	<u>6,231</u>	<u>269,590</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	13,190	113,779			126,969
Public Health Services	1,273				1,273
Leisure Time Activities		26,943			26,943
Community Environment	5,295				5,295
Basic Utility Services	5,727				5,727
Transportation		38,034			38,034
General Government	85,898		340		86,238
Debt Service:					
Principal Payments			27,925		27,925
Capital Outlay		30,650		1,750	32,400
	<u>111,383</u>	<u>209,406</u>	<u>28,265</u>	<u>1,750</u>	<u>350,804</u>
Total Receipts Over/(Under) Disbursements	<u>13,344</u>	<u>(88,399)</u>	<u>(10,640)</u>	<u>4,481</u>	<u>(81,214)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Sale of Fixed Assets	19,769				19,769
Transfers-In		38,000	29,000		67,000
Advances-In	(67,000)				(67,000)
Transfers-Out		45,000			45,000
Advances-Out	(45,000)				(45,000)
	<u>(92,231)</u>	<u>83,000</u>	<u>29,000</u>		<u>19,769</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(78,887)	(5,399)	18,360	4,481	(61,445)
Fund Cash Balances, January 1	214,220	59,152	1,866	107,867	383,105
<b>Fund Cash Balances, December 31</b>	<u><b>\$135,333</b></u>	<u><b>\$53,753</b></u>	<u><b>\$20,226</b></u>	<u><b>\$112,348</b></u>	<u><b>\$321,660</b></u>

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

**VILLAGE OF ATTICA  
SENECA COUNTY**

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

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$305,538
Miscellaneous	850
	306,388
<b>Operating Cash Disbursements:</b>	
Personal Services	52,343
Fringe Benefits	13,027
Contractual Services	95,759
Supplies and Materials	64,493
	225,622
Operating Income	80,766
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	16,141
	64,625
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	64,625
Transfers-In	10,084
Transfers-Out	(10,084)
	64,625
Net Receipts Over/(Under) Disbursements	64,625
Fund Cash Balances, January 1	269,292
<b>Fund Cash Balances, December 31</b>	<b>\$333,917</b>

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

**VILLAGE OF ATTICA  
SENECA COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Attica, Seneca County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), and police services.

The 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**

Certificates of deposit are valued at cost.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash that is 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.

*Police Levy Fund* - This fund receives tax monies from a voted levy for police protection.

VILLAGE OF ATTICA  
SENECA COUNTY

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

**3. Debt Service Fund**

This fund is used to accumulate resources for the payment of bonds and note indebtedness.

**4. Capital Project Fund**

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

Village Hall Construction Fund - This fund received proceeds of the insurance payment for the fire at the village hall. The proceeds are will be used to construct a new village hall.

**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 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 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 cash as of January 1. The County Budget Commission must also approve estimated resources.

**VILLAGE OF ATTICA  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000  
(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.

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.

**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**

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:

	<b><u>2000</u></b>
Demand deposits	\$518,514
Certificates of deposit	<u>137,063</u>
Total deposits	<u><u>\$653,577</u></u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2000 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$138,700	\$144,496	\$5,796
Special Revenue	191,350	204,007	12,657
Debt Service	33,000	46,625	13,625
Capital Projects		6,231	6,231
Enterprise	<u>320,550</u>	<u>316,472</u>	<u>(4,078)</u>
Total	<u><u>\$683,600</u></u>	<u><u>\$717,831</u></u>	<u><u>\$34,231</u></u>

**VILLAGE OF ATTICA  
SENECA COUNTY**

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

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$303,136	\$223,383	\$79,753
Special Revenue	261,140	209,406	51,734
Debt Service	47,700	28,265	19,435
Capital Projects	3,000	1,750	1,250
Enterprise	307,300	251,847	55,453
Total	\$922,276	\$714,651	\$207,625

The Village did not certify expenditures in accordance with Ohio Revised Code § 5705.41 (D).

**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 payments, 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, 2000 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loans	\$12,500	0%
Ohio Public Works Commission Loans	77,588	0%
General Obligation Note	19,010	6%
Total	\$109,098	

The Ohio Water Development Authority (OWDA) loans relate to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency.

**VILLAGE OF ATTICA  
SENECA COUNTY**

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

The Ohio Public Works Commission (OPWC) loans relate to water and sewer projects.

The general obligation note is for a water system improvement.

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

<u>Year Ending December 31:</u>	<u>OWDA Loan</u>	<u>OPWC Loan</u>	<u>General Obligation Notes</u>
2001	\$2,500	\$5,083	\$8,558
2002	2,500	5,083	8,558
2003	2,500	5,083	3,566
2004	2,500	5,083	
2005	2,500	5,083	
Subsequent		54,715	
Total	<u>\$12,500</u>	<u>\$80,130</u>	<u>\$20,682</u>

**6. RETIREMENT SYSTEMS**

The Village's full-time law enforcement officer belongs to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F 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, members of OP&F contributed 10% of their wages to the OP&F. 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 10.84% of participants' gross salaries. The Village has paid all contributions required through December 31, 2000.

Effective July 1, 1991, all employees not otherwise covered by the Public Employees Retirement System have an option to choose social security or Public Employees Retirement System. As of December 31, 2000, several Council members and several seasonal employees elected social security. The employee's liability is 6.2 percent of wages paid.

**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 Attica  
Seneca County  
20 South Main Street  
P.O. Box 564  
Attica, Ohio 44807-0564

To the Village Council:

We have audited the accompanying financial statements of the Village of Attica, Seneca County, Ohio, (the Village) as of and for the year ended December 31, 2000, and have issued our report thereon dated June 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 the 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-30574-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 13, 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 June 13, 2001.

This report is intended 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.

**Jim Petro**  
Auditor of State

June 13, 2001

VILLAGE OF ATTICA  
SENECA COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2000

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

FINDING NUMBER 2000-30574-001

**Noncompliance Citation**

Ohio Revised Code § 5705.41(D) states no orders or contracts involving the expenditure of money is to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract 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 encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides two "exceptions" to the above requirement:

- 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 Council 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 \$1,000 the fiscal officer may authorize it to be paid without the affirmation of the Council, if such expenditure is otherwise valid.

Transactions were not certified by the fiscal officer at the time the commitment was incurred nor were they certified using then and now certification. To improve controls over disbursements we recommend that all non-payroll Village disbursements receive certification of the fiscal officer that the funds are or will be available.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF ATTICA**

**SENECA 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 3, 2001**