



**VILLAGE OF JEFFERSONVILLE  
FAYETTE 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 JEFFERSONVILLE  
FAYETTE COUNTY

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street  
Suite 150 E  
Cincinnati, Ohio 45202  
Telephone 513-361-8550  
800-368-7419  
Facsimile 513-361-8577  
www.auditor.state.oh.us

## INDEPENDENT ACCOUNTANTS' REPORT

Village of Jeffersonville  
Fayette County  
4 North Main Street  
P. O. Box 7  
Jeffersonville, Ohio 43128

To the Village Council:

We have audited the accompanying financial statements of the Village of Jeffersonville, Fayette 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.

Except as discussed in the following paragraph, 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.

Due to the lack of sufficient documentation, we were unable to substantiate the 1999 Park and Recreation Fund receipts which represent 44% of the Special Revenue Fund Type Receipts for 1999. We were also unable to substantiate the concession receipts for the 2000 Park and Recreation Fund. These receipts represent 14% of the 2000 Park and Recreation Fund receipts and 7% of the Special Revenue Fund Type Receipts for 2000. We were unable to perform other auditing procedures to satisfy ourselves regarding these receipts.

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, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves about the Park and Recreation Special Revenue Fund Type receipts, 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 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As more fully described in Note 8 to the financial statements, the Village changed the fund type classification of its TFO fund from an expendable trust fund to an agency fund during 1999.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 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 and 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

April 10, 2001

**VILLAGE OF JEFFERSONVILLE  
FAYETTE 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**

	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$400,749	\$3,368	\$0	\$0	\$404,117
Intergovernmental Receipts	82,869	79,848	0	0	162,717
Charges for Services	0	31,532	0	0	31,532
Fines, Licenses, and Permits	9,804	0	0	0	9,804
Earnings on Investments	10,412	1,157	0	0	11,569
Miscellaneous	17,989	74	0	0	18,063
<b>Total Cash Receipts</b>	<b>521,823</b>	<b>115,979</b>	<b>0</b>	<b>0</b>	<b>637,802</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	65,764	0	0	0	65,764
Public Health Services	3,600	0	0	0	3,600
Leisure Time Activities	4,540	40,271	0	0	44,811
Transportation	0	50,248	0	0	50,248
General Government	263,584	0	0	0	263,584
Debt Service:					
Principal Payments	61,194	0	0	0	61,194
Interest Payments	4,933	0	0	0	4,933
Capital Outlay	97,957	366	0	0	98,323
<b>Total Disbursements</b>	<b>501,572</b>	<b>90,885</b>	<b>0</b>	<b>0</b>	<b>592,457</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>20,251</b>	<b>25,094</b>	<b>0</b>	<b>0</b>	<b>45,345</b>
<b>Other Financing Receipts/(Disbursements):</b>					
Other Financing Sources	2,173	0	0	0	2,173
Other Financing Uses	(19,245)	0	0	0	(19,245)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(17,072)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(17,072)</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>3,179</b>	<b>25,094</b>	<b>0</b>	<b>0</b>	<b>28,273</b>
<b>Fund Cash Balances, January 1</b>	<b>180,510</b>	<b>47,432</b>	<b>15,048</b>	<b>2,703</b>	<b>245,693</b>
<b>Fund Cash Balances, December 31</b>	<b>\$183,689</b>	<b>\$72,526</b>	<b>\$15,048</b>	<b>\$2,703</b>	<b>\$273,966</b>

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

**VILLAGE OF JEFFERSONVILLE  
FAYETTE 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>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$348,382	\$0	\$348,382
Miscellaneous	4,140	0	4,140
	<u>352,522</u>	<u>0</u>	<u>352,522</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	59,196	0	59,196
Fringe Benefits	15,493	0	15,493
Contractual Services	34,973	0	34,973
Supplies and Materials	60,076	0	60,076
Capital Outlay	144,541	0	144,541
Miscellaneous	6,434	1,813	8,247
	<u>320,713</u>	<u>1,813</u>	<u>322,526</u>
Operating Income/(Loss)	<u>31,809</u>	<u>(1,813)</u>	<u>29,996</u>
<b>Non-Operating Cash Receipts:</b>			
Intergovernmental Receipts	86,004	0	86,004
Proceeds from Notes and Bonds	57,819	0	57,819
Other Non-Operating Receipts	0	9	9
	<u>143,823</u>	<u>9</u>	<u>143,832</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	<u>158,247</u>	<u>0</u>	<u>158,247</u>
	<u>158,247</u>	<u>0</u>	<u>158,247</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	17,385	(1,804)	15,581
Fund Cash Balances, January 1	<u>313,322</u>	<u>3,806</u>	<u>317,128</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$330,707</u></b>	<b><u>\$2,002</u></b>	<b><u>\$332,709</u></b>

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

**VILLAGE OF JEFFERSONVILLE  
FAYETTE 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**

	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$417,743	\$3,427	\$0	\$0	\$421,170
Intergovernmental Receipts	80,431	65,315	0	0	145,746
Charges for Services	0	41,855	0	0	41,855
Fines, Licenses, and Permits	9,770	0	0	0	9,770
Earnings on Investments	9,740	1,082	0	0	10,822
Miscellaneous	583	15	0	0	598
	<u>518,267</u>	<u>111,694</u>	<u>0</u>	<u>0</u>	<u>629,961</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	67,499	0	0	0	67,499
Public Health Services	3,060	0	0	0	3,060
Leisure Time Activities	0	44,015	0	0	44,015
Transportation	0	50,584	0	0	50,584
General Government	249,093	0	0	0	249,093
Debt Service:					
Principal Payments	13,150	0	162,438	0	175,588
Interest Payments	2,444	0	19,275	0	21,719
Capital Outlay	186,684	0	0	0	186,684
	<u>521,930</u>	<u>94,599</u>	<u>181,713</u>	<u>0</u>	<u>798,242</u>
Total Receipts Over/(Under) Disbursements	<u>(3,663)</u>	<u>17,095</u>	<u>(181,713)</u>	<u>0</u>	<u>(168,281)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Other Financing Sources	6,000	0	2,444	0	8,444
Other Financing Uses	(18,734)	0	0	0	(18,734)
Sale of Notes	0	0	97,485	0	97,485
	<u>(12,734)</u>	<u>0</u>	<u>99,929</u>	<u>0</u>	<u>87,195</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(16,397)	17,095	(81,784)	0	(81,086)
Fund Cash Balances, January 1	196,907	30,337	96,832	2,703	326,779
<b>Fund Cash Balances, December 31</b>	<b><u>\$180,510</u></b>	<b><u>\$47,432</u></b>	<b><u>\$15,048</u></b>	<b><u>\$2,703</u></b>	<b><u>\$245,693</u></b>

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

VILLAGE OF JEFFERSONVILLE  
FAYETTE 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>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$378,497	\$0	\$378,497
Miscellaneous	5,050	0	5,050
	<u>383,547</u>	<u>0</u>	<u>383,547</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	57,027	0	57,027
Fringe Benefits	21,468	0	21,468
Contractual Services	38,850	0	38,850
Supplies and Materials	76,239	0	76,239
Capital Outlay	70,130	0	70,130
Miscellaneous	8,794	8,682	17,476
	<u>272,508</u>	<u>8,682</u>	<u>281,190</u>
Operating Income/(Loss)	<u>111,039</u>	<u>(8,682)</u>	<u>102,357</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	67,140	0	67,140
	<u>67,140</u>	<u>0</u>	<u>67,140</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	43,899	(8,682)	35,217
Fund Cash Balances January 1, as restated (See Note 8)	<u>269,423</u>	<u>12,488</u>	<u>281,911</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$313,322</u></b>	<b><u>\$3,806</u></b>	<b><u>\$317,128</u></b>

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

**VILLAGE OF JEFFERSONVILLE  
FAYETTE 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 Jeffersonville, Fayette 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 park operations (leisure time activities). The Village contracts with the Fayette County Sheriff's department to provide security of persons and property.

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 Deposits**

During fiscal years 2000 and 1999, the Village's funds were deposited in a checking account with a local commercial bank. Interest income is distributed to Village funds based upon the Ohio Constitution.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Fund**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

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

Parks and Recreation Fund - This fund receives swimming pool membership and fees to fund the municipal swimming pool.

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY**

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

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

**3. Debt Service Fund**

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

**4. Capital Project Funds**

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

Carr Road Project - This fund accounts for the remaining amount of proceeds received from Fayette County to improve the intersection of Carr Road.

**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.

**6. Fiduciary Fund (Agency)**

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant Agency Fund:

TFO fund - This fund is used to account for tax abatement receipts received from the local business.

**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.

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY**

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

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

**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 encumber all commitments required by Ohio law. However, the Village did not have material outstanding encumbrances at year end.

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 and investments. The carrying amount of cash and deposits at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 606,675	\$ 562,821

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

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

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 459,740	\$ 523,996	\$ 64,256
Special Revenue	66,435	115,979	49,544
Debt Service	12,140	0	(12,140)
Capital Projects	21,600	0	(21,600)
Enterprise	422,300	496,345	74,045
Fiduciary	5,181	9	(5,172)
Total	<u>\$ 987,396</u>	<u>\$ 1,136,329</u>	<u>\$ 148,933</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 641,744	\$ 520,817	\$ 120,927
Special Revenue	112,374	90,885	21,489
Debt Service	72,891	0	72,891
Capital Projects	24,303	0	24,303
Enterprise	689,919	478,960	210,959
Fiduciary	8,987	1,813	7,174
Total	<u>\$ 1,550,218</u>	<u>\$ 1,092,475</u>	<u>\$ 457,743</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 416,964	\$ 524,267	\$ 107,303
Special Revenue	64,500	111,694	47,194
Debt Service	173,726	99,929	(73,797)
Capital Projects	19,800	0	(19,800)
Enterprise	410,000	383,547	(26,453)
Fiduciary	5,030	0	(5,030)
Total	<u>\$ 1,090,020</u>	<u>\$ 1,119,437</u>	<u>\$ 29,417</u>

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 624,672	\$ 540,664	\$ 84,008
Special Revenue	94,837	94,599	238
Debt Service	316,260	181,713	134,547
Capital Projects	22,503	0	22,503
Enterprise	622,921	339,648	283,273
Fiduciary	17,518	8,682	8,836
Total	\$ 1,698,711	\$ 1,165,306	\$ 533,405

The Village did not obtain prior certification of the fiscal officer for 35% of purchases nor were all commitments encumbered as required by Ohio Law.

**4. PROPERTY TAX**

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

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

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

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

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY**

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

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Water Revenue Mortgage Bonds	\$ 14,000	6.25%
Equipment Bond	2,058	5.69%
Sewer Mortgage Loan	288,000	5.00%
Water Treatment Loan	142,213	2.00%
Sewer Treatment Loan	625,037	2.00%
State Route 41/Carr Road Loan	97,650	0%
State Route 41/Bond Anticipation Notes	80,000	5.00%
Sidewalk Project	60,000	4.95%
Total	\$ 1,308,958	

Water Revenue (Mortgage) Bonds were issued in 1973 at an original amount of \$115,000 at 6.25% interest and will expire in 2002. Payments are made as the Bonds and Coupons mature. The Village maintains a bond and coupon book of payments of this debt. These bonds were obtained for the renovation and construction of the water treatment facility.

The Equipment Bond was issued in 1996 in the amount of \$44,472 at 5.69% interest for a term of five years. The bond was sold to Fifth Third Bank and monthly payments are made to redeem the bond. The bond matures May 20, 2001. At December 31, 2000, the village had prepaid all interest owed. This bond was issued to purchase a backhoe for the Village.

Sewer Revenue Loan was initiated in September 1972 with a loan of \$300,000 at 5% interest from Farmer's Home Administration. Additional loans of \$29,000 (October 1972) and \$254,000 (January 1973) were consolidated with the first loan for a total loan of \$583,000 at 5% to be repaid over forty years. These loans mature in 2012. These loans were acquired for the construction and renovation of the wastewater treatment plant.

Ohio Water Development Authority Loans: The Village has two loans from the Ohio Water Development Authority (OWDA). The two loans were for the renovation and improvement of the water and sewer systems of the Village. The Water Loan was established in 1990 for \$229,342 at 2% interest rate for twenty-five years and matures in 2015. The Sewer Treatment Loan was established in 1992 for \$898,738 at 2% interest rate for twenty-five years and matures in 2017. Both loans are paid semi-annually on January 1<sup>st</sup> and July 1<sup>st</sup>.

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY**

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

**4. DEBT (Continued)**

State Route 41/Carr Road Improvement: These monies were originally received in the form of an Issue II grant in the months of October thru December 1995 for the improvement of State Route 41 and Carr Road. The Issue II monies were paid directly to the engineering firm (C.E. Williams and Associates). During 1996, this grant was converted to a loan with the Ohio Public Works Commission. The loan was in the amount of \$126,000 with no interest. The loan is for a period of twenty years with principal payments due January 1<sup>st</sup> and July 1<sup>st</sup>. This loan matures in July 2016.

State Route 41/Carr Road Bond Anticipation Note: A note was acquired in November 1995 in the amount of \$100,000 at 4.4% interest rate. The purpose of this note was for the construction and engineering costs of the State Route 41/Carr Road project. Another \$100,000 note was issued in 1996, the proceeds were used to retire the original note. The note issued in 1996 was issued at 4.4% interest rate and was due in 1997. Subsequently the Village issued ten year bonds in the amount of \$110,000. Principal payments are due on December 1<sup>st</sup> of each year. This note matures in 2007.

Municipal Recreational Facility (Pool Renovation) Note: A bond anticipation note was acquired in May 1994 in the amount of \$35,000 at 4.1% interest rate, for the acquisition and renovation of the pool. In each succeeding year the new notes were issued and the prior year notes were retired. The interest rate increased in 1999 to 8.48%. This note was paid off in 1999.

Sidewalk, Curb and Gutter Bond Anticipation Notes: A bond anticipation note was acquired in September 1997 in the amount of \$150,000 at 4.3% interest rate and maturing on September 3, 1998. A new note was reissued on September 2, 1998, in the amount of \$120,000 at 4.1%; renewed in 1999 in the amount of \$90,000 at 4.25% and again in 2000 in the amount of \$60,000 at 4.95%. The last renewal matures in 2001.

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

Year ending December 31:	Water Revenue Mortgage	Equipment Bond	Water Treatment Loan	Sewer Mortgage Loan	Sewer Treatment Loan
2001	\$ 7,781	\$ 2,058	\$ 11,747	\$ 34,400	\$ 46,033
2002	7,437	0	11,747	34,400	46,033
2003	0	0	11,747	34,350	46,033
2004	0	0	11,747	34,250	46,033
2005	0	0	11,747	35,050	46,033
Subsequent	0	0	105,722	208,000	506,367
Total	<u>\$ 15,218</u>	<u>\$ 2,058</u>	<u>\$ 164,457</u>	<u>\$ 380,450</u>	<u>\$ 736,532</u>

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY**

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

**5. DEBT (Continued)**

Year ending December 31:	State Route 41 / Carr Road Loan	State Route 41 Bond Anticipation Notes	Sidewalk Project Bond Anticipation Notes	Total
2001	\$ 6,300	\$ 13,998	\$ 62,970	\$ 182,317
2002	6,300	13,537	0	119,454
2003	6,300	13,062	0	111,492
2004	6,300	12,578	0	110,908
2005	6,300	12,078	0	111,208
Subsequent	<u>66,150</u>	<u>32,355</u>	<u>0</u>	<u>918,594</u>
Total	<u>\$ 97,650</u>	<u>\$ 97,608</u>	<u>\$ 62,970</u>	<u>\$ 1,553,973</u>

**6. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 10.84% for 2000 and 13.55% for 1999 of participants' gross salaries. The Village has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

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

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

The Village also provides health insurance and vision coverage to full-time employees through a private carrier.

**8. CHANGE IN FUND TYPE CLASSIFICATION**

During 1999 the Village changed the fund type classification of its TFO Fund. Originally, the Village reported the TFO Fund as an Expendable Trust Fund Type. The Village is now reporting its TFO Fund as an Agency Fund Type. The fund balances are restated as follows:

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY**

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

**8. CHANGE IN FUND TYPE CLASSIFICATION (Continued)**

	<u>Balance Reported as of 12/31/98</u>	<u>Additions</u>	<u>Reductions</u>	<u>Restated Balances as of 1/1/99</u>
Expendable Trust	\$ 12,488	\$ -	\$12,488	\$ -
Agency Fund	\$ -	\$12,488	\$ -	\$ 12,488

**9. LITIGATION**

The Village is party to legal proceedings. Management cannot determine outcome of these proceedings until a later date.

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street  
Suite 150 E  
Cincinnati, Ohio 45202  
Telephone 513-361-8550  
800-368-7419  
Facsimile 513-361-8577  
www.auditor.state.oh.us

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

Village of Jeffersonville  
Fayette County  
4 North Main Street  
P. O. Box 7  
Jeffersonville, Ohio 43128

To the Village Council:

We have audited the accompanying financial statements of the Village of Jeffersonville, Fayette County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 10, 2001, which was qualified due to the inadequacy of the documentation supporting Parks and Recreation Fund receipts in the Special Revenue Fund and which noted that the Village changed its fund type classification of certain Fiduciary Funds. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-30624-001 and 2000-30624-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated April 10, 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2000-30624-001, 2000-30624-003, 2000-30624-004, and 2000-30624-005.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 2000-30624-001 to be a material weakness.

We also 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 of Jeffersonville in a separate letter dated April 10, 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

April 10, 2001

VILLAGE OF JEFFERSONVILLE  
FAYETTE 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 2000-30624-001**

**Material Noncompliance/Material Weakness**

Ohio Rev. Code, Section 149.351, provides that all records are the property of the public office and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Sections 149.38 to 149.42, Revised Code.

The Village Officials did not retain receipt records for the Parks and Recreation Fund for 1999 and for concession sales in 2000. Since the Village did not provide sufficient documentation supporting the Park and Recreation Fund receipts, we were not able to audit the financial statements of the Park and Recreation Fund or to satisfy ourselves regarding the validity of the underlying transactions through other auditing procedures. Without maintaining financial documents, monies could be diverted without the knowledge of Village officials.

We recommend that all financial documents and records of the Village be maintained and financial transactions monitored by Village officials. This is a repeat condition from the prior audit period.

**FINDING NUMBER 2000-30624-002**

**Material Noncompliance**

Ohio Rev. Code, Section 5705.41 (D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This Section also provides for two exceptions to the above requirements:

1. Then and Now Certificates - 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 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.
2. If the amount involved is less than \$1,000 dollars, the Clerk may authorize payment through a Then and Now Certificate without affirmation of the Village Council, if such expenditure is otherwise valid.

In 35% of items tested, the fiscal officer has honored contracts and orders that did not contain prior certification or meet any of the two exceptions noted above. The Village Clerk should certify all expenditures prior to entering into contracts and orders or comply with the exceptions listed above.

**FINDING NUMBER 2000-30624-001**  
**(Continued)**

The Village cancels encumbrances at year end. We recommend that the Village not cancel those encumbrances that still represent valid obligations.

**FINDING NUMBER 2000-30624-003**

**Reportable Condition**

Purchase orders were not appropriately authorized by the Clerk and/or Village Council. By not having each purchase order authorized appropriately, it can lead to misappropriation of funds. We recommend that the Clerk sign each purchase order indicating that she has determined that appropriations and funds are available for the purchase commitment requested, then have the Village Council and/or Mayor sign each purchase order indicating that purchase was for a proper public purpose, prior to making the purchase or incurring the obligation.

**FINDING NUMBER 2000-30624-004**

**Reportable Condition**

OAC, 117-5-14 requires that a voucher be prepared by the Village Clerk for each warrant prepared. A voucher is a written order by the Council directing the Clerk to draw a warrant in payment of a lawful obligation.

Sixty-eight percent of the vouchers tested were not signed by the Mayor and Council members. The lack of monitoring purchases by the regulatory body could lead to purchases being made that are not for proper public purposes and possibly to spending monies that have not been appropriated. We recommend that each voucher be signed and approved by Council for all purchases made. Each voucher should be completed with the date, purchase order number, account code, amount, and other required information.

**FINDING NUMBER 2000-30624-005**

**Reportable Condition**

Instances were noted in which debt payments were not made consistent with debt amortization schedules which resulted in immaterial amounts of interest coupons being paid in excess of scheduled requirements.

A tickler file/spreadsheet should be established and maintained for each existing and/or new debt issues in order to better control when payments are due, what amount of interest and principal is due for each payment, the outstanding principal balance for each debt, the account and fund each payment is to be paid from, and the debt proceeds of any new debt issued. This will help to increase the accountability over the Village's debt and will help ensure that debt activity is properly recorded by the Village.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**VILLAGE OF JEFFERSONVILLE**

**FAYETTE 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  
MAY 15, 2001**