

VILLAGE OF SENECVILLE
GUERNSEY COUNTY

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



STATE OF OHIO
OFFICE OF THE AUDITOR

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

We have reviewed the Independent Auditor's Report of the Village of Senecaville, Guernsey County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 1999 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Senecaville is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

July 25, 2001

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**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY
JANUARY 1, 1999 TO DECEMBER 31, 2000**

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**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Village Council
Village of Senecaville
Guernsey County
201 High Street-Rear, PO Box #5
Senecaville, OH 43780

We have audited the accompanying financial statements of the Village of Senecaville, Guernsey County, 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 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 and reserves for encumbrance of the Village of Senecaville, Guernsey County, 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 June 27, 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.

Village of Senecaville
Guernsey County
Report of Independent Accountants
Page 2

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

Wolfe, Wilson, and Phillips, Inc.
Zanesville, Ohio
June 27, 2001

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

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

| | <u>Governmental Fund Types</u> | | | <u>Total</u> |
|---|--------------------------------|----------------------------|-----------------------------|------------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | (Memorandum <u>Only</u>) |
| Cash Receipts | | | | |
| Local Taxes | \$ 5,906 | \$ 18,047 | \$ - | \$ 23,953 |
| Intergovernmental | 37,370 | 16,431 | 546,831 | 600,632 |
| Charges for Services | - | 8,100 | - | 8,100 |
| Fines, License and Permits | - | 4,159 | - | 4,159 |
| Interest | 9,983 | 445 | - | 10,428 |
| Miscellaneous | <u>957</u> | <u>2,257</u> | <u>364</u> | <u>3,578</u> |
| Total Cash Receipts | 54,216 | 49,439 | 547,195 | 650,850 |
| Cash Disbursements | | | | |
| Security of Persons and Property | 11,400 | 43,483 | - | 54,883 |
| Public Health Services | 98 | - | - | 98 |
| Leisure Time Activities | 1,470 | - | - | 1,470 |
| Transportation | - | 12,286 | - | 12,286 |
| General Government | 27,079 | - | - | 27,079 |
| Capital Outlay | <u>-</u> | <u>13,020</u> | <u>540,929</u> | <u>553,949</u> |
| Total Cash Disbursements | <u>40,047</u> | <u>68,789</u> | <u>540,929</u> | <u>649,765</u> |
| Excess of Cash Receipts Over/(Under) Cash Disbursement | 14,169 | (19,350) | 6,266 | 1,085 |
| Fund Cash Balance January 1, 2000 | <u>22,983</u> | <u>48,663</u> | <u>228</u> | <u>71,874</u> |
| Fund Cash Balances, December 31, 2000 | <u>\$ 37,152</u> | <u>\$ 29,313</u> | <u>\$ 6,494</u> | <u>\$ 72,959</u> |
| Reserve for Encumbrances | <u>\$ 2,035</u> | <u>\$ 603</u> | <u>\$ -</u> | <u>\$ 2,638</u> |

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

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES – PROPRIETARY FUND TYPES –
FOR THE YEAR ENDED DECEMBER 31, 2000

| | <u>Enterprise</u> |
|--|-------------------|
| Operating Cash Receipts | |
| Charges for Services | <u>\$182,795</u> |
| Total Operating Cash Receipts | <u>182,795</u> |
| Operating Cash Disbursements | |
| Personal Services | 9,102 |
| Employee Fringe Benefits | 1,448 |
| Contractual Services | 3,231 |
| Supplies and Materials | 4 |
| Capital Outlay | 3,407 |
| Miscellaneous | <u>19,304</u> |
| Total Operating Cash Disbursements | <u>36,496</u> |
| Operating Income | <u>146,299</u> |
| Non-Operating Cash Receipts | |
| Special Assessments | <u>28,116</u> |
| Total Non-Operating Cash Receipts | <u>28,116</u> |
| Non-Operating Cash Disbursements | |
| Debt Service | <u>28,386</u> |
| Total Non-Operating Cash Disbursements | <u>28,386</u> |
| Net Receipts Over/(Under) Disbursements | 146,029 |
| Fund Cash Balances, January 1, 2000 | <u>143,285</u> |
| Fund Cash Balances, December 31, 2000 | <u>\$289,314</u> |
| Reserve for Encumbrances | <u>\$ 662</u> |

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

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

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> | | | <u>Total</u> |
|--|--------------------------------|----------------------------|-----------------------------|----------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | (Memorandum Only) |
| Cash Receipts | | | | |
| Local Taxes | \$ 6,204 | \$ 19,698 | \$ 0 | \$ 25,902 |
| Intergovernmental | 20,838 | 15,255 | 2,020,796 | 2,056,889 |
| Charges for Services | 0 | 7,300 | 0 | 7,300 |
| Fines, License and Permits | 0 | 12,357 | 0 | 12,357 |
| Interest | 4,273 | 296 | 0 | 4,569 |
| Miscellaneous | <u>1,544</u> | <u>11,780</u> | <u>0</u> | <u>13,324</u> |
| Total Cash Receipts | 32,859 | 66,686 | 2,020,796 | 2,120,341 |
| Cash Disbursements | | | | |
| Security of Persons and Property | 7,884 | 31,835 | 0 | 39,719 |
| Public Health Services | 99 | 0 | 0 | 99 |
| Leisure Time Activities | 1,574 | 0 | 0 | 1,574 |
| Transportation | 0 | 13,179 | 0 | 13,179 |
| General Government | 20,879 | 0 | 0 | 20,879 |
| Capital Outlay | <u>550</u> | <u>2,846</u> | <u>2,074,568</u> | <u>2,077,964</u> |
| Total Cash Disbursements | <u>30,986</u> | <u>47,860</u> | <u>2,074,568</u> | <u>2,153,414</u> |
| Excess of Cash Receipts Over/(Under) Cash Disbursement | 1,873 | 18,826 | (53,772) | (33,073) |
| Other Financing Sources | <u>0</u> | <u>0</u> | <u>54,000</u> | <u>54,000</u> |
| Total of Cash Receipts and Other Sources Over/(Under) Disbursements | 1,873 | 18,826 | 228 | 20,927 |
| Fund Cash Balance January 1, 1999 | <u>21,110</u> | <u>29,837</u> | <u>0</u> | <u>50,947</u> |
| Fund Cash Balances, December 31, 1999 | <u>\$ 22,983</u> | <u>\$ 48,663</u> | <u>\$ 228</u> | <u>\$ 71,874</u> |
| Reserve for Encumbrances | <u>\$ 16,093</u> | <u>\$ 28,474</u> | <u>\$ 586,520</u> | <u>\$ 631,087</u> |

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

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES – PROPRIETARY FUND TYPES –
FOR THE YEAR ENDED DECEMBER 31, 1999

| | <u>Enterprise</u> |
|--|-------------------|
| Operating Cash Receipts | |
| Other Miscellaneous Revenue | <u>\$128,071</u> |
| Total Operating Cash Receipts | 128,071 |
| Operating Cash Disbursements | |
| Personal Services | 1,780 |
| Employee Fringe Benefits | 127 |
| Contractual Services | 16,020 |
| Supplies and Materials | <u>194</u> |
| Total Operating Cash Disbursements | <u>18,121</u> |
| Operating Income | <u>109,950</u> |
| Non-Operating Cash Receipts | |
| Special Assessments | <u>30,994</u> |
| Total Non-Operating Cash Receipts | 30,994 |
| Non-Operating Cash Disbursements | |
| Debt Service | <u>28,387</u> |
| Total Non-Operating Cash Disbursements | <u>28,387</u> |
| Net Receipts Over/(Under) Disbursements | 112,557 |
| Fund Balances, January 1, 1999 | <u>30,728</u> |
| Fund Cash Balances, December 31, 1999 | <u>\$143,285</u> |
| Reserve for Encumbrances | <u>\$ 12,745</u> |

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

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Entity

The Village of Senecaville, Guernsey County, 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 sewer utility, maintenance of Village roads (public works), and provides police services and fire protection (public safety).

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 a payment is made 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 included adequate disclosure of materials matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investment Deposits

Interest-bearing demand deposits are valued at cost.

D. Fund Accounting

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

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.

Special Revenue Funds

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

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Street Construction, Maintenance and Repair Fund – This fund receives property tax, gasoline tax and motor vehicle tax money to construct, maintain and repair Village streets.

Fire Levy Fund – This fund receives property tax and fire protection contract revenue to provide fire protection to the Village and surrounding areas.

Police Levy Fund – This fund received property tax and mayor’s court revenue to provide police protection to the Village and surrounding areas.

Capital Project Funds

These funds are used to account for proceeds from specific sources that are restricted for the use of capital construction and projects. The Village used this fund to record the receipts and disbursements used in the construction of the sanitary sewer plant.

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:

Sewer Fund – This fund receives various grant revenues and debt proceeds to construct and then to operate a sanitary sewer system within the Village.

E. Budgetary Process

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

Appropriations

Budgetary expenditures (i.e., 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 appropriations measure and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at end of year are carried over and need not be reappropriated.

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: | 362,273 | 215,159 |

Deposits: Deposits are 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 ended December 31, 2000 and December 31 1999 was as follows:

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts

| <u>Fund Type</u> | <u>Budgeted Receipts</u> | <u>Actual Receipts</u> | <u>Variance</u> |
|------------------|------------------------------|----------------------------|---------------------|
| General | \$ 33,789 | \$ 54,216 | \$ 20,427 |
| Special Revenue | 60,268 | 49,439 | (10,829) |
| Capital Projects | 842,607 | 547,195 | (295,412) |
| Enterprise | <u>198,150</u> | <u>210,911</u> | <u>12,761</u> |
| Total | <u>\$1,134,814</u> | <u>\$ 861,761</u> | <u>\$ (273,053)</u> |

2000 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
|------------------|------------------------------------|-----------------------------------|-------------------|
| General | \$ 56,851 | \$ 42,082 | \$ 14,769 |
| Special Revenue | 106,712 | 69,392 | 37,320 |
| Capital Projects | 848,019 | 540,929 | 307,090 |
| Enterprise | <u>340,770</u> | <u>65,544</u> | <u>275,226</u> |
| Total | <u>\$1,352,352</u> | <u>\$ 717,947</u> | <u>\$ 634,405</u> |

1999 Budgeted vs. Actual Receipts

| <u>Fund Type</u> | <u>Budgeted Receipts</u> | <u>Actual Receipts</u> | <u>Variance</u> |
|------------------|------------------------------|----------------------------|---------------------|
| General | \$ 55,755 | \$ 32,859 | \$ (22,896) |
| Special Revenue | 96,146 | 66,685 | (29,461) |
| Capital Projects | 2,917,403 | 2,074,796 | (842,607) |
| Enterprise | <u>182,785</u> | <u>159,065</u> | <u>(23,720)</u> |
| Total | <u>\$3,252,089</u> | <u>\$2,333,405</u> | <u>\$ (918,684)</u> |

**VILLAGE OF SENECVILLE
GUERNSEY COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
|------------------|------------------------------------|-----------------------------------|-----------------------|
| General | \$ 55,754 | \$ 47,079 | \$ 8,675 |
| Special Revenue | 85,158 | 76,334 | 8,824 |
| Capital Projects | 2,917,403 | 2,661,088 | 256,315 |
| Enterprise | <u>61,239</u> | <u>59,253</u> | <u>1,986</u> |
| Total | <u>\$3,119,554</u> | <u>\$2,843,754</u> | <u>\$ 275,800</u> |

4. PROPERTY TAX

Real property taxes become a lien on January preceding the October 1 date for which rates are adopted by the Village. 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 of Ohio, 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 20th.

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

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 and December 31, 1999 was as follows:

| | <u>2000</u> | <u>1999</u> | <u>Interest Rate</u> |
|--|--------------------|--------------------|--------------------------|
| Ohio Waster Development Authority Loan | 371,108 | 391,002 | 2.2% |
| Ohio Public Works Commission Loan | <u>249,000</u> | <u>249,000</u> | 0.0% |
| Total Outstanding Debt with Determinable Repayment Amortization | <u>620,108</u> | <u>640,002</u> | |

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

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

5. DEBT (Continued)

| | | | | |
|--|------------------------|------------------------|-------|--|
| Ohio Water Development Authority | | | | |
| Interim Loan | \$ <u>903,753</u> | \$ <u>870,572</u> | 3.83% | |
| Total Outstanding Debt with Undeterminable Repayment Amortization | <u>903,753</u> | <u>870,572</u> | | |
| Total Outstanding Debt | <u>\$1,523,861</u> | <u>\$1,510,572</u> | | |

The U.S. Department of Agriculture (USDA) will assume the Ohio Water Development Authority (OWDA) Interim Loan on January 1, 2001. The USDA will determine the repayment amortization schedule then. No repayments have yet been made on this loan.

The amortization of the outstanding debt with known repayments, including interest of 68,882 is as follows:

| | |
|------------|------------------|
| 2001 | \$ 14,193 |
| 2002 | 40,836 |
| 2003 | 40,836 |
| 2004 | 40,836 |
| 2005 | 40,836 |
| Subsequent | <u>511,453</u> |
| Total | <u>\$688,990</u> |

6. RETIREMENT SYSTEMS

All of the Village employees, as well as Council members and Clerk, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. For 2000 and 1999, members of PERS contributed 8.5% of the gross salaries. The Village has paid all contributions required through December 31, 2000.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

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

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

8. CONTINGENT LIABILITIES

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

**WOLFE, WILSON & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Village of Senecaville
201 High Street-Rear, PO Box #5
Senecaville, OH 43780

To the Village Council:

We have audited the cash basis financial statements of the Village of Senecaville as of and for the year ended December 31, 2000 and 1999, and have issued our report thereon dated June 27, 2001. 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 of Senecaville's cash basis 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which we have reported to management of the Village of Senecaville in a separate letter dated June 27, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Senecaville'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.

Village of Senecaville
Guernsey County

Independent Auditors' Report on Compliance (continued)
Page 2

This report is intended for the information of Village Council, management, Auditor of State, federal award agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 27, 2001

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH *OMB CIRCULAR A-133***

Village of Senecaville
201 High Street-Rear, PO Box #5
Senecaville, OH 43780

To the Village Council:

Compliance

We have audited the compliance of the Village of Senecaville with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2000 and 1999. The Village of Senecaville's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Village of Senecaville management. Our responsibility is to express an opinion on the Village of Senecaville's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Senecaville's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village of Senecaville's compliance with those requirements.

In our opinion, the Village of Senecaville complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2000 and 1999.

Village of Senecaville
Guernsey County

OMB-A-133 Compliance Report (continued)
Page 2

Internal Control Over Compliance

The management of the Village of Senecaville is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Village of Senecaville's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We note no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

This report is intended for the information of Village Council, management, the Auditor of State, federal award agencies, and pass-through entities, and is not intended to be a should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 27, 2001

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1999**

| Federal Grantor/ Sub-Grantor Program Title | Pass Through Entity Number | Federal CFDA Number | Receipts | Non-Cash Receipts | Disbursements | Non-Cash Disbursements |
|---|---------------------------------------|------------------------------------|---------------------|------------------------------|----------------------|-----------------------------------|
| <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u> | | | | | | |
| (Pass through State Department of Development) | | | | | | |
| Community Development Block Grant | C-W-97-362-1 | 14.228 | \$ 600,000 | \$ - | \$ 600,000 | \$ - |
| | | | \$ 600,000 | \$ - | \$ 600,000 | \$ - |
| Total U.S. Department of Housing and Urban Development | | | \$ 600,000 | \$ - | \$ 600,000 | \$ - |
| <u>U.S. DEPARTMENT OF AGRICULTURE:</u> | | | | | | |
| (Direct Award) | | | | | | |
| Water and Waste Disposal Systems for Rural Communities | 41-034-0-341461847 | 10.760 | \$ 1,017,987 | \$ - | \$ 1,017,987 | \$ - |
| | | | \$ 1,017,987 | \$ - | \$ 1,017,987 | \$ - |
| Total U.S. Department of Agriculture | | | \$ 1,017,987 | \$ - | \$ 1,017,987 | \$ - |
| <u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u> | | | | | | |
| (Pass through State Adjutant General) | | | | | | |
| Project Impact Grant | FEMA-DR-1227-OH | 83.551 | \$ 8,018 | \$ - | \$ 8,018 | \$ - |
| | | | \$ 8,018 | \$ - | \$ 8,018 | \$ - |
| Total Federal Emergency Management Agency | | | \$ 8,018 | \$ - | \$ 8,018 | \$ - |
| Total Federal Awards Expenditures | | | <u>\$ 1,626,005</u> | <u>\$ -</u> | <u>\$ 1,626,005</u> | <u>\$ -</u> |

See notes to Schedule of Federal Awards Expenditures.

VILLAGE OF SENECAVILLE
GUERNSEY COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2000

| Federal Grantor/ Sub-Grantor Program Title | Pass Through Entity Number | Federal CFDA Number | Receipts | Non-Cash Receipts | Disbursements | Non-Cash Disbursements |
|---|-------------------------------|---------------------------|-------------------|----------------------|-------------------|---------------------------|
| <u>U.S. DEPARTMENT OF AGRICULTURE:</u> | | | | | | |
| (Direct Award) | | | | | | |
| Water and Waste Disposal Systems for Rural Communities | 41-034-0-341461847 | 10.760 | \$ 419,241 | \$ - | \$ 419,241 | \$ - |
| | | | \$ 419,241 | \$ - | \$ 419,241 | \$ - |
| Total U.S. Department of Agriculture | | | \$ 419,241 | \$ - | \$ 419,241 | \$ - |
| <u>APPALACHIAN REGION COMMISSION</u> | | | | | | |
| (Pass through State Department of Development) | | | | | | |
| Appalachial Regional Development | 41-034-0-341461847 | 23.001 | \$ 29,150 | \$ - | \$ 29,150 | \$ - |
| | | | \$ 29,150 | \$ - | \$ 29,150 | \$ - |
| Total Appalchian Region Commission | | | \$ 29,150 | \$ - | \$ 29,150 | \$ - |
| Total Federal Awards Expenditures | | | <u>\$ 448,391</u> | <u>\$ -</u> | <u>\$ 448,391</u> | <u>\$ -</u> |

See notes to Schedule of Federal Awards Expenditures.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A – Significant Account Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the Village's federal awards programs. The schedule has been prepared on the cash basis of accounting.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A – 133 SECTION .505**

**FINANCIAL CONDITION
VILLAGE OF SENECVILLE
DECEMBER 31, 2000 and 1999**

1. AUDITOR’S RESULTS

| | | |
|---------------------|--|--|
| <i>(d)(1)(I)</i> | Type of Financial Statement Opinion | Unqualified |
| <i>(d)(1)(ii)</i> | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | NO |
| <i>(d)(1)(II)</i> | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | NO |
| <i>(d)(1)(iii)</i> | Was there any reported non-compliance at the financial statement level (GAGAS)? | NO |
| <i>(d)(1)(iv)</i> | Were there any material internal control weakness conditions reported for major federal programs? | NO |
| <i>(d)(1)(iv)</i> | Were there any other reportable internal control weakness conditions reported for major federal programs? | NO |
| <i>(d)(1)(v)</i> | Type of Major Programs’ Compliance Opinion | Unqualified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under section .510? | NO |
| <i>(d)(1)(vii)</i> | Major Programs (List): | Community Development Block Grant CFDA #14.228 Water and Waste Disposal For Rural Communities CFDA #10.760 |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A\B | Type A: >\$300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | Low Risk Auditee? | No |

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

NONE

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

VILLAGE OF SENECAVILLE

GUERNSEY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 9, 2001**