

VILLAGE OF AMESVILLE
ATHENS COUNTY
SINGLE AUDIT
JANUARY 1, 1999 - DECEMBER 31, 2000

David R. Dilley
Certified Public Accountant
121 Leasure Road
Chillicothe, Ohio 45601



STATE OF OHIO
OFFICE OF THE AUDITOR

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
www.auditor.state.oh.us

Village Council
Village of Amesville
P.O. Box 190
Amesville, Ohio 45711

We have reviewed the independent auditor's report of the Village of Amesville, Athens County, prepared by David R. Dilley, Certified Public Accountant, 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 Amesville is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

September 18, 2001

This Page is Intentionally Left Blank.

VILLAGE OF AMESVILLE
ATHENS COUNTY
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000

Table of Contents

Independent Auditor's Report	
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2000	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Proprietary Fund Type Similar Fiduciary Fund For the Year Ended December 31, 2000	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Proprietary Fund Type and Similar Fiduciary Fund For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5-10
Report of Independent Accountants on Compliance and on Internal Control required by <i>Government Auditing Standards</i>	11
Schedule of Expenditures and Federal Awards	12
Report on Compliance with Requirements Applicable to each Federal Program and Internal Control over Compliance in Accordance with OMB Circular A-133	13
Schedule of Findings and Questioned Costs	15

This Page is Intentionally Left Blank.

David R. Dilley
Certified Public Accountant

Member Ohio Society of Certified Public Accountants
Member American Institute of Certified Public Accountant

Phone (740) 286-4004
Fax (740) 286-8674
Email ponvexps@bright.net

121 Leasure Road
Chillicothe, Ohio 45601

Independent Auditor's Report

Village Council
Village of Amesville
PO Box 190
Amesville, Ohio 45711

I have audited the accompanying financial statements of the Village of Amesville, Athens County, Ohio, (the Village) as of and for the year ended December 31, 2000, and December 31, 1999. These financial statements are the responsibility of the Village's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my 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 my opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Amesville, Athens County, Ohio, as of December 31, 2000, and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards* issued by the comptroller general of the United States of America, I have also issued a report dated June 29, 2001 on my consideration of the Village's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit conducted in accordance with *Government Audit Standards*, and, in considering the results of the audit, these reports should be read along with the auditor's report on the financial statements.

My audit was performed for the purpose of forming an opinion on the financial statements of the Village, taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

David R. Dilley

David R. Dilley
Certified Public Accountant

June 29, 2001

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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts			
Taxes	\$13,183	\$5,672	\$18,855
Intergovernmental	19,335	747,007	766,342
Charges for Services	0	11,319	11,319
Fines, Licenses, and Permits	2,800	0	2,800
Interest	5,257	853	6,110
Miscellaneous	7,921	14,529	22,450
Total Cash Receipts	48,496	779,380	827,876
Cash Disbursements			
Current:			
Security of Persons and Property	11,497	16,848	28,345
Public Health Services	421	0	421
Basic Utility Services	0	0	0
Leisure Time Activities	0	2,396	2,396
Transportation	0	5,700	5,700
General Government	14,049	853,709	867,758
Capital Outlay	0	0	0
Total Cash Disbursements	25,967	878,653	904,620
Total Cash Receipts Over/Under Cash Disbursements	22,529	(99,273)	(76,744)
Other Financing Receipts/(Disbursements):			
Proceeds From Sale of Public Debt			
Sale of Notes	0	0	0
Transfers-in		2,000	2,000
Transfers-out	(2,000)	0	(2,000)
Total Other Financing Receipts / Disbursements	(2,000)	2,000	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	20,529	(97,273)	(76,744)
Fund Cash Balances, January 1, 2000	29,299	355,677	384,976
Fund Cash Balances, December 31, 2000	\$49,828	\$258,404	\$308,232

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

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts			
Charges for Services	\$19,932	0	19,932
Miscellaneous	<u>81</u>	<u>0</u>	<u>81</u>
Total Operating Cash Receipts	20,013	0	20,013
Operating Cash Disbursements			
Personal Services	9,718	0	9,718
Travel Transportation	1,899	0	1,899
Contractual Services	5,964	0	5,964
Supplies and Materials	4,958	0	4,958
Capital Outlay	<u>260</u>	<u>0</u>	<u>260</u>
Total Operating Cash Disbursements	<u>22,799</u>	<u>0</u>	<u>22,799</u>
Operating Income / (Loss)	(2,786)	0	(2,786)
Non Operating Cash Receipts			
Other Non Operating Receipts	<u>0</u>	<u>5,750</u>	<u>5,750</u>
Total Non Operating Cash Receipts	0	5,750	5,750
Non Operating Cash Disbursements			
Other Non Operating Disbursements	<u>0</u>	<u>5,750</u>	<u>5,750</u>
Total Non Operating Cash Disbursements	<u>0</u>	<u>5,750</u>	<u>5,750</u>
Excess of Receipts Over / (Under) Disbursements	(2,786)	0	(2,786)
Fund Cash Balances, January 1, 2000	<u>47,084</u>	<u>50</u>	<u>47,134</u>
Fund Cash Balances, December 31, 2000	<u><u>\$44,298</u></u>	<u><u>\$50</u></u>	<u><u>\$44,348</u></u>

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

**VILLAGE OF AMESVILLE
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts			
Taxes	\$30,314	\$5,780	\$36,094
Intergovernmental	8,949	285,544	294,493
Charges for Services	0	15,775	15,775
Fines, Licenses, and Permits	5,500	0	5,500
Interest	5,717	1,201	6,918
Miscellaneous	2,414	2,716	5,130
Total Cash Receipts	52,894	311,016	363,910
Cash Disbursements			
Current:			
Security of Persons and Property	11,687	10,283	21,970
Public Health Services	982	0	982
Basic Utility Services	0	0	0
Leisure Time Activities	0	2,290	2,290
Transportation	0	5,050	5,050
General Government	27,383	42,409	69,792
Capital Outlay	0	11,242	11,242
Total Cash Disbursements	40,052	71,274	111,326
Total Cash Receipts Over/Under Cash Disbursements	12,842	239,742	252,584
Other Financing Receipts/(Disbursements):			
Advances In	6,896	10,454	17,350
Advances Out	(10,454)	(6,896)	(17,350)
Total Other Financing Receipts / Disbursements	(3,558)	3,558	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	9,284	243,300	252,584
Fund Cash Balances, January 1, 1999	20,015	112,377	132,392
Fund Cash Balances, December 31, 1999	\$29,299	\$355,677	\$384,976

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

VILLAGE OF AMESVILLE
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts			
Charges for Services	\$22,475	0	22,475
Miscellaneous	<u>433</u>	<u>0</u>	<u>433</u>
Total Operating Cash Receipts	22,908	0	22,908
Operating Cash Disbursements			
Personal Services	9,879	0	9,879
Travel Transportation	1,678	0	1,678
Contractual Services	8,790	0	8,790
Supplies and Materials	2,382	0	2,382
Capital Outlay	<u>1,746</u>	<u>0</u>	<u>1,746</u>
Total Operating Cash Disbursements	<u>24,475</u>	<u>0</u>	<u>24,475</u>
Operating Income / (Loss)	(1,567)	0	(1,567)
Non Operating Cash Receipts			
Other Non Operating Cash Receipts	<u>0</u>	<u>7,125</u>	<u>7,125</u>
Total Non Operating Cash Receipts	0	7,125	7,125
Non Operating Cash Disbursements			
Other Non Operating Cash Disbursements	<u>0</u>	<u>7,145</u>	<u>7,145</u>
Total Non Operating Cash Disbursements	<u>0</u>	<u>7,145</u>	<u>7,145</u>
Excess of Receipts Over / (Under) Disbursements	(1,567)	(20)	(1,587)
Fund Cash Balances, January 1, 1999	<u>48,651</u>	<u>70</u>	<u>48,721</u>
Fund Cash Balances, December 31, 1999	<u><u>\$47,084</u></u>	<u><u>\$50</u></u>	<u><u>\$47,134</u></u>

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

Notes to the Financial Statements
Village of Amesville, Athens County
For the years ended December 31, 2000 and 1999

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Village of Amesville, Athens 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 utilities services, police and fire protection services, and maintenance of the Village streets and highways.

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 include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Village's interest bearing checking account and certificates of deposit are valued at cost.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that is restricted as to use. The Village classifies 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 by law or contract 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 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 license tax money for constructing, maintaining and repairing Village streets.

State Highway Improvement Fund - This fund receives gasoline tax and motor vehicle license tax money for maintaining and repairing state highways located within the village.

Notes to the Financial Statements
Village of Amesville, Athens County
For the years ended December 31, 2000 and 1999

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

Special Revenue Funds (Continued)

Fire District Fund - This fund receives property tax and contracted services monies to provide fire protection to Village residents and the surrounding contracting Townships.

Federal Emergency Management Agency (FEMA) Fund - This fund receives grant proceeds from the federal government to fund repairs to the flood damaged property of the Village.

Enterprise Funds

These funds are used to 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 users 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.

Agency Fund

This fund accounts for activity for which the Village is acting in an agency capacity. The Village had the following significant Agency Fund:

Mayor's Court Fund - This fund accounts for the financial activity of the Mayor's Court.

E. Budgetary Process

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

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 Village must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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 year end are canceled, and reappropriated in the following 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.

Notes to the Financial Statements
Village of Amesville, Athens County
For the years ended December 31, 2000 and 1999

2. Equity in Pooled Cash and Investments

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:

	2000	1999
Demand deposits	\$277,580	\$357,110
Certificates of deposit	\$75,000	\$75,000
Total deposits	\$352,580	\$432,110

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 1999, and December 31, 1998, was as follows:

2000 Budgeted VS. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$45,257	\$48,496	\$3,239
Special Revenue	1,115,053	781,380	333,673
Enterprise	23,620	20,013	3,607
Total	\$1,183,930	\$849,889	\$334,041

2000 Budgeted VS. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$32,925	\$27,967	\$4,958
Special Revenue	62,441	878,653	(816,212)
Enterprise	32,734	22,799	9,935
Total	\$128,100	\$929,419	(\$801,319)

**Notes to the Financial Statements
Village of Amesville, Athens County
For the years ended December 31, 2000 and 1999**

3. Budgetary Activity (Continued)

1999 Budgeted VS. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$52,587	\$52,894	\$307
Special Revenue	40,369	311,016	270,647
Enterprise	19,230	22,908	3,678
Total	<u>\$112,186</u>	<u>\$386,818</u>	<u>\$274,632</u>

1999 Budgeted VS. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$40,052	(\$40,052)
Special Revenue	0	71,274	(71,274)
Enterprise	0	24,475	(24,475)
Total	<u>\$0</u>	<u>\$135,801</u>	<u>(\$135,801)</u>

4. Property Tax

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

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

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

Notes to the Financial Statements
Village of Amesville, Athens County
For the years ended December 31, 2000 and 1999

5. Retirement Systems

The Village's employees as well as the Village Council and the Clerk belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer defined benefit pension plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. PERS instituted a temporary employees contribution rate rollback of 20% for local governments for calendar year 2000.

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

7. Risk Management

The Village has obtained commercial insurance coverage for the following risks:

- General liability and casualty
- Public officials' liability
- Vehicles and
- Property

8. Compliance and Accountability

Legal Compliance:

- A. Ohio Rev. Code Section 5705.38 requires that an annual appropriation measure be passed on or about the first day of the year. In 1999 the Village Council did not pass any appropriation measure. An appropriation schedule does exist but was not signed or approved by Council and no appropriation measure is included in the 1999 ordinance book.
- B. Ohio Rev. Code Section 5705.41(D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purposes 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 requirements:

Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was 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, if such expenditure is valid.

If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Village Council.

During 1999 the Village did not utilize the encumbrance method of accounting and, accordingly did not obtain the necessary prior certification of available funds before incurring any commitments. In 2000, the Village utilized the Uniform Accounting Network accounting software which requires the encumbrance method of accounting to be followed. No instances of non compliance with this code section were identified in 2000.

Notes to the Financial Statements
Village of Amesville, Athens County
For the years ended December 31, 2000 and 1999

8. Compliance and Accountability (Continued)
Legal Compliance: (Continued)

- C. Ohio Rev. Code Section 5705.41(B) prohibits subdivisions and taxing authorities from expending money unless it has been appropriated. In 1999, no appropriations ordinance or resolution was passed by Council. Therefore all disbursements in 1999 were not appropriated. In 1999, the Village began receiving state and federal awards to repair flood damages in the Village. These monies were received into the properly designated fund. However, the Village did not appropriate any of these funds for expenditures. In 2000 unappropriated expenditures related to these awards totaled \$843,810.

David R. Dilley
Certified Public Accountant

Member Ohio Society of Certified Public Accountants
Member American Institute of Certified Public Accountant

Phone (740) 286-4004
Fax (740) 286-8674
Email ponvexps@bright.net

121 Leasure Road
Chillicothe, Ohio 45601

**Report of Independent Accountant's on Compliance and on
Internal Control Required by Government Auditing Standards**

Village Council
Village of Amesville
PO Box 375
Amesville, Ohio 45771

I have audited the accompanying financial statements of the Village of Amesville, Athens County, Ohio (the Village), as of and for the years ended December 31, 2000, and December 31, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental 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, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instances of noncompliance that is required to be reported under *Governmental Auditing Standards*. I also noted certain immaterial instances of noncompliance that I have reported to management of the Village in a separate letter dated June 29, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, I considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving internal control over financial reporting that do not require inclusion in this report, that I have reported to management of the Village in a separate letter dated May 11, 2001.

This report is intended solely for the information and use of the audit committee, management, council, and federal awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties.

David R. Dilley

David R. Dilley
Certified Public Accountant

June 29, 2001

Village of Amesville, Athens County
Schedule of Expenditures of Federal Awards
For the Years Ended December 31, 2000 and 1999

Federal Grantor/ Program Title	Pass-through Entity Number	CFDA #	Federal Expenditures
<u>Ohio Department of Development</u>			
Appalachian Area Development	N/A	23.002	\$145,408
CDBG Appalachian Regional Commission Program	C-P-99-211-2	14.228	\$34,500
Total Ohio Department of Development			179,908
<u>Federal Emergency Management Agency</u>			
Hazard Mitigation Program	FEMA-DR-1227-OH	83.548	331,951
Total Federal Awards			<u><u>\$511,859</u></u>

David R. Dilley

Certified Public Accountant

Member Ohio Society of Certified Public Accountants
Member American Institute of Certified Public Accountant

Phone (740) 286-4004
Fax (740) 286-8674
Email ponvexps@bright.net

121 Leasure Road
Chillicothe, Ohio 45601

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

Village Council
Village of Amesville
PO Box 375
Amesville, Ohio 45771

Compliance

I have audited the compliance of the Village of Amesville (the Village) 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 each of its major federal programs for the year ended December 31, 2000. The Village'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 the Village's management. My responsibility is to express an opinion on the Villages's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards generally accepted in the United States of America; 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 I plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Village's compliance with those requirements.

In my opinion, the Village of Amesville complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

Internal Control Over Compliance

The management of the Village 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 my audit, I considered the Village's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

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

David R. Dilley

David R. Dilley
Certified Public Accountant

June 29, 2001

Village of Amesville, Athens County
 Schedule of Findings and Questioned Costs
 OMB Circular A-133

1. SUMMARY OF AUDITOR'S RESULTS

Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any reported noncompliance at the financial statement level (GAGAS)?	Yes
Were there any material internal controls weakness conditions reported for major federal programs?	No
Were there any reportable internal control weakness conditions reported for major federal programs?	No
Type of Major Program Compliance Opinion	Unqualified
Are there any reportable findings under sec. .510?	No

Major Program	83.548 Hazard Mitigation
Dollar Threshold: Type A/B programs?	Type A: >\$300,000 Type B: All Others
Low Risk Auditee	No

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

Finding Number: 2000 - 1

Ohio Rev. Code Section 5705.38 requires that an annual appropriation measure be passed on or about the first day of the year. In 1999 the Village Council did not pass any appropriation measure. An appropriation schedule does exist but was not signed or approved by Council and no appropriation measure is included in the 1999 ordinance book.

Finding Number: 2000 - 2

Ohio Rev. Code Section 5705.41(D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purposes 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 requirements:

- D. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was 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, if such expenditure is valid.
- E. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Village Council.

During 1999 the Village did not utilize the encumbrance method of accounting and, accordingly did not obtain the necessary prior certification of available funds before incurring any commitments. In 2000, the Village utilized the Uniform Accounting Network accounting software which requires the encumbrance method of accounting to be followed. No instances of non compliance with this code section were identified in 2000.

Finding Number: 2000 - 3

Ohio Rev. Code Section 5705.41(B) prohibits subdivisions and taxing authorities from expending money unless it has been appropriated. In 1999, no appropriations ordinance or resolution was passed by Council. Therefore all disbursements in 1999 were not appropriated. In 1999, the Village began receiving state and federal awards to repair flood damages in the Village. These monies were received into the properly designated fund. However, the Village did not appropriate any of these funds for expenditures. In 2000 unappropriated expenditures related to these awards totaled \$843,810.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE



STATE OF OHIO
OFFICE OF THE AUDITOR

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 AMESVILLE

ATHENS 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
SEPTEMBER 25, 2001**