



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF HOPEDALE
HARRISON COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Hopedale
Harrison County
105 E. Main Street
P.O. Box 476
Hopedale, Ohio 43976

To the Village Council:

We have audited the accompanying financial statements of the Village of Hopedale, Harrison County, Ohio, (the Village) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our 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 encumbrances of the Village as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 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 the audit committee, 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

March 19, 2001

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**VILLAGE OF HOPEDALE
HARRISON 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**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$33,184	\$24,278			\$57,462
Special Assessments			\$17,299		17,299
Intergovernmental Receipts	34,142	5,322		\$208,990	248,454
Fines, Licenses, and Permits	3,419				3,419
Earnings on Investments	3,475				3,475
Miscellaneous	1,877				1,877
Total Cash Receipts	<u>76,097</u>	<u>29,600</u>	<u>17,299</u>	<u>208,990</u>	<u>331,986</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	19,020				19,020
Public Health Services	425				425
Leisure Time Activities	268				268
Community Environment	17				17
Transportation	37,594	27,704			65,298
General Government	52,220				52,220
Debt Service:					
Principal Payments			25,841		25,841
Interest Payments			15,666		15,666
Capital Outlay				197,139	197,139
Total Disbursements	<u>109,544</u>	<u>27,704</u>	<u>41,507</u>	<u>197,139</u>	<u>375,894</u>
Total Receipts Over/(Under) Disbursements	<u>(33,447)</u>	<u>1,896</u>	<u>(24,208)</u>	<u>11,851</u>	<u>(43,908)</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	75,253		29,329		104,582
Advances-In	21,842				21,842
Transfers-Out	(6,244)				(6,244)
Advances-Out				(21,842)	(21,842)
Total Other Financing Receipts/(Disbursements)	<u>90,851</u>		<u>29,329</u>	<u>(21,842)</u>	<u>98,338</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>57,404</u>	<u>1,896</u>	<u>5,121</u>	<u>(9,991)</u>	<u>54,430</u>
Fund Cash Balances January 1	<u>103,139</u>	<u>6,347</u>	<u>40,810</u>	<u>9,992</u>	<u>160,288</u>
Fund Cash Balances, December 31	<u>\$160,543</u>	<u>\$8,243</u>	<u>\$45,931</u>	<u>\$1</u>	<u>\$214,718</u>
Reserves for Encumbrances, December 31	<u>\$1,049</u>	<u>\$34</u>			<u>\$1,083</u>

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

**VILLAGE OF HOPEDALE
HARRISON 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 Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$231,541		\$231,541
Total Operating Cash Receipts	<u>231,541</u>		<u>231,541</u>
Operating Cash Disbursements:			
Personal Services	85,351		85,351
Fringe Benefits	37,028		37,028
Contractual Services	5,195		5,195
Supplies and Materials	125,764		125,764
Capital Outlay	226		226
Miscellaneous	1,138	\$982	2,120
Total Operating Cash Disbursements	<u>254,702</u>	<u>982</u>	<u>255,684</u>
Operating (Loss)	<u>(23,161)</u>	<u>(982)</u>	<u>(24,143)</u>
Non-Operating Cash Receipts:			
Property Tax and Other Local Taxes		78,400	78,400
Other Non-Operating Receipts		1,807	1,807
Total Non-Operating Cash Receipts		<u>80,207</u>	<u>80,207</u>
Non-Operating Cash Disbursements:			
Other Non-Operating Disbursements		<u>(1,807)</u>	<u>(1,807)</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(23,161)	77,418	54,257
Transfers-In	12,491	8	12,499
Transfers-Out	<u>(35,584)</u>	<u>(75,253)</u>	<u>(110,837)</u>
Net Receipts Over/(Under) Disbursements	(46,254)	2,173	(44,081)
Fund Cash Balances, January 1	<u>109,477</u>	<u>234</u>	<u>109,711</u>
Fund Cash Balances, December 31	<u>\$63,223</u>	<u>\$2,407</u>	<u>\$65,630</u>

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

**VILLAGE OF HOPEDALE
HARRISON 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**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$30,776	\$24,929			\$55,705
Special Assessments			\$16,521		16,521
Intergovernmental Receipts	36,930	5,944		\$96,822	139,696
Fines, Licenses, and Permits	1,547				1,547
Earnings on Investments	4,532				4,532
Miscellaneous	18,934				18,934
Total Cash Receipts	<u>92,719</u>	<u>30,873</u>	<u>16,521</u>	<u>96,822</u>	<u>236,935</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	19,271				19,271
Public Health Services	400				400
Leisure Time Activities	175				175
Community Environment	17				17
Transportation	62,585	37,106			99,691
General Government	55,619				55,619
Debt Service:					
Principal Payments			24,792		24,792
Interest Payments			14,971		14,971
Capital Outlay				114,962	114,962
Total Disbursements	<u>138,067</u>	<u>37,106</u>	<u>39,763</u>	<u>114,962</u>	<u>329,898</u>
Total Receipts (Under) Disbursements	<u>(45,348)</u>	<u>(6,233)</u>	<u>(23,242)</u>	<u>(18,140)</u>	<u>(92,963)</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	83,709		31,970		115,679
Advances-In				28,132	28,132
Transfers-Out	(4,878)				(4,878)
Advances-Out	(28,132)				(28,132)
Total Other Financing Receipts/(Disbursements)	<u>50,699</u>		<u>31,970</u>	<u>28,132</u>	<u>110,801</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	5,351	(6,233)	8,728	9,992	17,838
Fund Cash Balances January 1	<u>97,788</u>	<u>12,580</u>	<u>32,082</u>		<u>142,450</u>
Fund Cash Balances, December 31	<u>\$103,139</u>	<u>\$6,347</u>	<u>\$40,810</u>	<u>\$9,992</u>	<u>\$160,288</u>
Reserves for Encumbrances, December 31	<u>\$825</u>	<u>\$285</u>			<u>\$1,110</u>

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

**VILLAGE OF HOPEDALE
HARRISON 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 Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$217,630		\$217,630
Miscellaneous		\$4	4
Total Operating Cash Receipts	<u>217,630</u>	<u>4</u>	<u>217,634</u>
Operating Cash Disbursements:			
Personal Services	77,008		77,008
Fringe Benefits	25,716		25,716
Contractual Services	18,599		18,599
Supplies and Materials	83,927		83,927
Capital Outlay	48,554		48,554
Miscellaneous	1,300	129	1,429
Total Operating Cash Disbursements	<u>255,104</u>	<u>129</u>	<u>255,233</u>
Operating (Loss)	<u>(37,474)</u>	<u>(125)</u>	<u>(37,599)</u>
Non-Operating Cash Receipts:			
Property Tax and Other Local Taxes		83,839	83,839
Intergovernmental Receipts	55,000		55,000
Other Non-Operating Receipts		721	721
Total Non-Operating Cash Receipts	<u>55,000</u>	<u>84,560</u>	<u>139,560</u>
Non-Operating Cash Disbursements:			
Other Non-Operating Disbursements		<u>(721)</u>	<u>(721)</u>
Excess of Receipts Over Disbursements Before Interfund Transfers and Advances	17,526	83,714	101,240
Transfers-In	12,491		12,491
Transfers-Out	<u>(39,583)</u>	<u>(83,709)</u>	<u>(123,292)</u>
Net Receipts Over/(Under) Disbursements	(9,566)	5	(9,561)
Fund Cash Balances, January 1	<u>119,043</u>	<u>229</u>	<u>119,272</u>
Fund Cash Balances, December 31	<u>\$109,477</u>	<u>\$234</u>	<u>\$109,711</u>

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

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

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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 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 Fund:

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

3. Debt Service Funds

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service funds:

**VILLAGE OF HOPEDALE
HARRISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Ohio Water Development Authority Fund- This fund is used to accumulate funds and make payments on an OWDA Loan. Loans were to obtained upgrade the water/sewer plant.

Rural Development Debt Service Fund - This fund is used to accumulate funds and make bond payments. Bonds were obtained to make improvements to the sanitary sewer system.

4. Capital Project Funds

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

Ohio Department of Development Fund- This fund was to account for a state grant used to replace and update waterlines.

Emergency Waterline Fund - This fund was to account for Issue II money used to replace and update waterlines.

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

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

6. Fiduciary Funds (Agency Funds)

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

Income Tax Fund - This fund was used to account for monies collected from the Village Income Tax.

E. Budgetary Process

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

**VILLAGE OF HOPEDALE
HARRISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund function level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are 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 and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand Deposits	<u>\$280,348</u>	<u>\$269,999</u>

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

3. BUDGETARY ACTIVITY

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

**VILLAGE OF HOPEDALE
HARRISON 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	\$ 167,858	\$ 151,350	\$ (16,508)
Special Revenue	53,500	29,600	(23,900)
Debt Service	52,400	46,628	(5,772)
Capital Projects	1,355,000	208,990	(1,146,010)
Enterprise	241,000	244,032	3,032
Total	<u>\$ 1,869,758</u>	<u>\$ 680,600</u>	<u>\$ (1,189,158)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 187,950	\$ 116,837	\$ 71,113
Special Revenue	55,500	27,738	27,762
Debt Service	45,020	41,507	3,513
Capital Projects	1,536,970	197,139	1,339,831
Enterprise	352,000	290,286	61,714
Total	<u>\$ 2,177,440</u>	<u>\$ 673,507</u>	<u>\$ 1,503,933</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 153,300	\$ 176,428	\$ 23,128
Special Revenue	33,000	30,873	(2,127)
Debt Service	50,000	48,491	(1,509)
Capital Projects	1,490,000	96,822	(1,393,178)
Enterprise	251,600	285,121	33,521
Total	<u>\$ 1,977,900</u>	<u>\$ 637,735</u>	<u>\$ (1,340,165)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 253,450	\$ 143,770	\$ 109,680
Special Revenue	48,020	37,391	10,629
Debt Service	44,420	39,763	4,657
Capital Projects	735,000	114,962	620,038
Enterprise	327,500	294,687	32,813
Total	<u>\$ 1,408,390</u>	<u>\$ 630,573</u>	<u>\$ 777,817</u>

**VILLAGE OF HOPEDALE
HARRISON COUNTY**

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

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.

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Ohio Water Development Loan	\$ 181,056	5%
General Obligation Notes	7,420	6%
USDA Rural Development	223,000	5%
Total	\$ 411,476	

The Ohio Water Development Authority (OWDA) loan relates to a sewer line installation project for the Village. The OWDA approved \$386,312 in a loan to the Village for this project. The loan will be repaid in semiannual installments of \$9,894, including interest, over 25 years.

The general obligation notes were issued to purchase a street truck, water board truck, and tractor. The notes are renewed annually in the amount of the outstanding principal balance.

The USDA Rural Development loan was issued to pay for the sanitary sewer extension project. The loan principal and interest will be repaid in annual installments over 40 years.

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

Year ending	OWDA Loan	General Obligation Notes	USDA Rural Development Loans
2001	\$ 19,787	\$ 3,300	\$ 12,971
2000	19,787	3,300	13,069
2001	19,787	1,374	12,957
2002	19,787	0	13,004
2003	19,787	0	13,022
Subsequent	108,828	0	429,037
	\$ 207,763	\$ 7,974	\$ 494,060

**VILLAGE OF HOPEDALE
HARRISON COUNTY**

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

6. RETIREMENT SYSTEMS

The Village's law enforcement officers and firefighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. For 2000, the Village contributed an amount equal to 10.84% of participants' gross salaries and for 1999, the Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Village has obtained commercial coverage for the following risks:

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

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



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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

Village of Hopedale
Harrison County
105 E. Main Street
P.O. Box 476
Hopedale, Ohio 43976

To the Village Council:

We have audited the accompanying financial statements of the Village of Hopedale, Harrison County, Ohio (the Village), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated March 19, 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'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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 19, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated March 19, 2001.

Village of Hopedale
Harrison County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
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This report is intended for the information and use of the audit committee, 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

March 19, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF HOPEDALE

HARRISON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 19, 2001**