



**Auditor of State  
Betty Montgomery**



VILLAGE OF SENECAVILLE  
GUERNSEY COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Senecaville, Guernsey County, Ohio (the Village), as of and for the years ended December 31, 2002 and 2001. 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 auditing standards generally accepted in the United States of America 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 of Senecaville, Guernsey County, as of December 31, 2002 and 2001, 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 13, 2003 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  
Independent Accountants' Report  
Page 2

This report is intended solely for the information and use of management, the 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 13, 2003

**VILLAGE OF SENECVILLE  
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$6,687	\$23,463	\$	\$	\$30,150
Special Assessments			27,591		27,591
Intergovernmental Receipts	20,294	18,216		147,839	186,349
Charges for Services		9,700			9,700
Fines, Licenses, and Permits		10,136			10,136
Earnings on Investments	3,594	108			3,702
Miscellaneous	3,207	5,400			8,607
Total Cash Receipts	33,782	67,023	27,591	147,839	276,235
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	17,473	29,452			46,925
Public Health Services	37				37
Leisure Time Activities	180				180
Transportation		26,055			26,055
General Government	24,535	2,070			26,605
Debt Service:					
Principal Payments			20,783	864,000	884,783
Interest Payments			7,603	88,351	95,954
Capital Outlay	565	12,117		8,215	20,897
Total Cash Disbursements	42,790	69,694	28,386	960,566	1,101,436
Total Cash Receipts Over/(Under) Cash Disbursements	(9,008)	(2,671)	(795)	(812,727)	(825,201)
<b>Other Financing Receipts/(Disbursements):</b>					
Sale of Bonds				864,000	864,000
Transfers-In				9,003	9,003
Advances-In			795		795
Transfers-Out	(9,003)				(9,003)
Other Financing Uses				(46,478)	(46,478)
Total Other Financing Receipts/(Disbursements)	(9,003)	0	795	826,525	818,317
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(18,011)	(2,671)	0	13,798	(6,884)
Fund Cash Balances, January 1	27,272	44,194	0	3,040	74,506
<b>Fund Cash Balances, December 31</b>	<b>\$9,261</b>	<b>\$41,523</b>	<b>\$0</b>	<b>\$16,838</b>	<b>\$67,622</b>
Reserves for Encumbrances, December 31	\$1,204	\$0	\$0	\$3,858	\$5,062

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

**VILLAGE OF SENECAVILLE  
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$106,678
Miscellaneous	1,389
	108,067
<b>Operating Cash Disbursements:</b>	
Personal Services	10,716
Fringe Benefits	2,408
Contractual Services	15,857
Supplies and Materials	206
Other	1,944
Capital Outlay	1,951
	33,082
Operating Income/(Loss)	74,985
<b>Non-Operating Cash Receipts:</b>	
Other Non-Operating Receipts	2,288
	2,288
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	5,788
	5,788
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	71,485
Advances-Out	(795)
Net Receipts Over/(Under) Disbursements	70,690
Fund Cash Balances, January 1	363,505
<b>Fund Cash Balances, December 31</b>	<b>\$434,195</b>
Reserve for Encumbrances, December 31	\$1,079

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



**VILLAGE OF SENECAVILLE  
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$6,437	\$20,191	\$	\$26,628
Intergovernmental Receipts	27,116	17,051	46,395	90,562
Charges for Services		7,700		7,700
Fines, Licenses, and Permits		3,398		3,398
Earnings on Investments	9,003	318		9,321
Miscellaneous	3,133	200		3,333
<b>Total Cash Receipts</b>	<b>45,689</b>	<b>48,858</b>	<b>46,395</b>	<b>140,942</b>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	32,229	21,479		53,708
Public Health Services	97			97
Leisure Time Activities	280			280
Transportation		8,124		8,124
General Government	22,964			22,964
Capital Outlay		4,356	48,249	52,605
<b>Total Cash Disbursements</b>	<b>55,570</b>	<b>33,959</b>	<b>48,249</b>	<b>137,778</b>
Total Cash Receipts Over/(Under) Cash Disbursements	(9,881)	14,899	(1,854)	3,164
<b>Other Financing Receipts/(Disbursements):</b>				
Contingencies			(1,600)	(1,600)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>0</b>	<b>0</b>	<b>(1,600)</b>	<b>(1,600)</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(9,881)	14,899	(3,454)	1,564
Fund Cash Balances, January 1	37,153	29,295	6,494	72,942
<b>Fund Cash Balances, December 31</b>	<b>\$27,272</b>	<b>\$44,194</b>	<b>\$3,040</b>	<b>\$74,506</b>
Reserves for Encumbrances, December 31	\$1,189	\$1,009	\$0	\$2,198

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

**VILLAGE OF SENECAVILLE  
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$101,874
Miscellaneous	10
	101,884
Total Operating Cash Receipts	101,884
<b>Operating Cash Disbursements:</b>	
Personal Services	9,098
Fringe Benefits	2,381
Contractual Services	16,112
Supplies and Materials	2,313
Capital Outlay	639
Miscellaneous	2,065
	32,608
Total Operating Cash Disbursements	32,608
Operating Income/(Loss)	69,276
<b>Non-Operating Cash Receipts:</b>	
Special Assessments	30,054
Fines, Licenses and Permits	438
Other Non-Operating Receipts	2,811
	33,303
Total Non-Operating Cash Receipts	33,303
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	28,386
Total Non-Operating Cash Disbursements	28,386
Net Receipts Over/(Under) Disbursements	74,193
Fund Cash Balances, January 1	289,312
<b>Fund Cash Balances, December 31</b>	<b>\$363,505</b>
Reserve for Encumbrances, December 31	\$500

*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, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Senecaville, Guernsey 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 sewer utilities, fire 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. 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 Funds:

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

*Fire Fund* – This fund receives fire levy monies to be used by the volunteer fire department for fire protection services of the Village.

*Police Fund* – This fund receives tax money and fines for providing police protection for the Village.

**3. Debt Service Fund**

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

**VILLAGE OF SENCECAVILLE  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**C. Fund Accounting (Continued)**

**3. Debt Service Fund (Continued)**

*Special Assessment Debt Service Fund* – This fund receives special assessment monies for the repayment of debt related to sewer engineering costs.

**4. Capital Project Fund**

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 Fund:

*Sewer Construction Fund* – This fund receives grant revenue and bond proceeds to finance the construction of the Village sewer.

**5. Enterprise Fund**

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 Fund:

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

**D. Budgetary Process**

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

**1. Appropriations**

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

**2. 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.

**VILLAGE OF SENCECAVILLE  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**D. Budgetary Process (Continued)**

**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 2002 and 2001 budgetary activity appears in Note 3.

**E. 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:

	2002	2001
Demand deposits	\$501,817	\$438,011
Total deposits	501,817	438,011

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$38,792	\$33,782	(\$5,010)
Special Revenue	61,248	67,023	5,775
Debt Service	27,591	28,386	795
Capital Projects	867,111	1,020,842	153,731
Enterprise	94,000	110,355	16,355
Total	\$1,088,742	\$1,260,388	\$171,646

**VILLAGE OF SENCECAVILLE  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$57,060	\$52,997	\$4,063
Special Revenue	100,041	69,694	30,347
Debt Service	27,485	28,386	(901)
Capital Projects	0	1,010,902	(1,010,902)
Enterprise	432,386	40,744	391,642
Total	<u>\$616,972</u>	<u>\$1,202,723</u>	<u>(\$585,751)</u>

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$40,401	\$45,689	\$5,288
Special Revenue	51,197	48,858	(2,339)
Capital Projects	0	46,395	46,395
Enterprise	126,985	135,187	8,202
Total	<u>\$218,583</u>	<u>\$276,129</u>	<u>\$57,546</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$75,518	\$56,759	\$18,759
Special Revenue	76,398	34,968	41,430
Capital Projects	295,618	49,849	245,769
Enterprise	415,636	61,494	354,142
Total	<u>\$863,170</u>	<u>\$203,070</u>	<u>\$660,100</u>

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Sewer Construction fund by \$1,006,571 for the year ended December 31, 2002. Also contrary to Ohio law, at December 31, 2001, appropriations exceeded estimated resources in the Sewer Construction fund by \$295,618.

**4. PROPERTY TAX**

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

**VILLAGE OF SENCECAVILLE  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**4. PROPERTY TAX (Continued)**

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, 2002 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	\$329,992	2.20%
Ohio Public Works Commission Loan	225,714	0.00%
Sanitary Sewer Mortgage Revenue Bonds	<u>864,000</u>	4.50%
Total	<u><u>\$1,419,706</u></u>	

The Ohio Water Development Authority (OWDA) loan relates to a sewer construction project for the creation of the Village sewer system. The loan will be repaid in semiannual installments of \$14,193.22, including interest, over 20 years. The Village has agreed to set special assessments sufficient to cover OWDA debt service requirements.

The Sanitary Sewer System Mortgage Revenue Bonds relate to the construction of the Village sewer system. The Village will begin repayment of the loan in June 2003. The bonds are secured by the revenues generated by the sewer system and a mortgage upon sewer system. The Village has agreed to set sewer rates sufficient to cover the debt service requirements.

The Ohio Public Works Commission loan related to the construction of the Village sewer system. The loan will be repaid in semi-annual installments of \$5,787.54, over 20 years. The loan is collateralized by sewer receipts. The Village has agreed to set sewer rates sufficient to cover the debt service requirements.

As required by the mortgage revenue bond covenant, the Village has established and funded a "Sewer Debt Sinking Fund", "Sewer Debt Reserve Fund" and a "Sewer Surplus Fund".

**VILLAGE OF SENCECAVILLE  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**5. DEBT (Continued)**

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

	<u>OWDA Loan</u>	<u>OPWC Loan</u>	<u>Sanitary Sewer System Mortgage Revenue Bonds</u>
Year ending December 31:			
2003	\$28,386	\$11,576	\$36,396
2004	28,386	11,576	38,880
2005	28,386	11,576	47,880
2006	28,386	11,576	47,875
2007	28,386	11,576	47,852
2008-2012	141,932	57,880	239,326
2013-2017	99,353	57,880	239,316
2018-2022		52,074	239,304
2023-2027			239,357
2028-2032			239,327
2033-2037			239,413
2038-2042			239,296
Total	<u>\$383,215</u>	<u>\$225,714</u>	<u>\$1,894,222</u>

**6. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2002.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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





**Auditor of State  
Betty Montgomery**

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

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Senecaville, Guernsey County, Ohio (the Village), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 13, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2002-31030-001 through 2002-31030-004. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 13, 2003.

**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 13, 2003.

Village of Senecaville  
Guernsey County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely for the information and use of management and the Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 13, 2003

**VILLAGE OF SENECAVILLE  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001**

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

**FINDING NUMBER 2002-31030-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.36 allows subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenues to be collected will be greater or less than the amount in the official certificate of estimated resources. An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation.

The Village did not obtain an increased amended certificate of estimated resources when they appropriated monies in the Sewer Construction Fund. The Village did not include the Sewer Construction Fund in its amended certificate. They did appropriate \$295,618 in this fund. Actual receipts in this fund were \$39,617 of which \$38,660 was expended.

We recommend the Village obtain amended certificates of estimated resources when they intend to appropriate and expend the monies. We also recommend the Village monitor estimated resources and actual resources in order to ensure the available resources are not reduced below the current level of appropriation.

**FINDING NUMBER 2002-31030-002**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.39 states in part that the total appropriation from each fund shall not exceed the total estimated revenue.

In 2001, appropriations exceeded estimated resources in the Sewer Construction Fund. There were no estimated resources in this fund, however, appropriations were \$295,618. The Village had actually received \$39,617 of which \$38,660 was expended. In 2002, appropriations exceeded estimated resources in the Debt Service Reserve Fund. There was \$9,600 in estimated resources in this fund. Appropriations were \$35,000 in this fund for 2002.

We recommend the Clerk amend the certificate of estimated resources or modify total appropriations with Council and the County Budget Commission whenever appropriations exceed estimated resources.

**VILLAGE OF SENECVILLE  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2002-31030-003**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.40 provides that any appropriation ordinance or measure may be amended or supplemented, provided that such amendment or supplement shall comply with all provisions of law governing the taxing authority in making an original appropriation.

The appropriations as approved by Council did not agree to the appropriations entered into the appropriations ledger. The following schedules compare approved appropriations to those posted to the appropriations on December 31, 2001 and 2002:

December 31, 2001:

Fund	Appropriations Posted to the UAN system	Approved Appropriations	Variance
General	\$77,465	\$77,203	(\$262)
Police	13,382	13,032	(350)
Sewer Construction	307,199	295,613	(11,586)
Issue II	4,413	0	(4,413)
Enterprise Deposit	1,000	500	(500)

December 31, 2002:

Fund	Appropriations Posted to the UAN system	Approved Appropriations	Variance
Street Maintenance	\$42,663	\$37,263	(\$5,400)
Police	32,997	34,997	2,000
Special Assess. Debt	28,386	27,485	(901)
Other Debt Service	864,000	0	(864,000)
Sewer Construction	1,114,559	0	(1,114,559)
Municipal Building	9,003	0	(9,003)
Issue II	3,111	0	(3,111)
Sewer	398,103	339,386	(58,717)
Enterprise Debt Service	48,000	0	(48,000)
Debt Service Reserve	9,600	0	(9,600)
Sewer Deposit	500	0	(500)
Other Enterprise	400	0	(400)

Appropriations as reported have been adjusted to reflect those appropriations which were adopted by Council, as noted in Council's minutes, and approved by the budget commission.

**VILLAGE OF SENECAVILLE  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2002-31030-003 (Continued)**

We recommend Council approve all appropriation amendments and note the approval in the minutes, the Clerk file all appropriation amendments with the County Auditor in order to receive certification from the County Auditor that appropriations do not exceed estimated resources, and the Clerk post appropriation amendments to the accounting system only after Council and the County Auditor have approved and certified the amendments.

**FINDING NUMBER 2002-31030-004**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(B) requires that no subdivision or taxing authority shall expend money unless it has been appropriated.

The following funds/accounts had expenditures which exceeded approved appropriations at December 31, 2001:

Fund	Approved Appropriations	Expenditures	Variance
<b>General Fund</b>			
Mayor and Admin. Offices:			
Public Employee's Retirement System	\$244	\$305	(\$61)
Legislative Activities:			
Public Employees Retirement System	\$488	\$550	(\$62)
Clerk-Treasurer:			
Public Employees Retirement System	\$739	\$901	(\$162)
Other General Government:			
Worker's Compensation	\$552	\$902	(\$350)
<b>Street Maintenance Fund</b>			
Street Maint. and Repair:			
Unemployment Comp.	\$762	\$858	(\$96)
<b>Sewer Construction Fund</b>			
Capital Outlay:			

**VILLAGE OF SENECAVILLE  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2002-31030-004 (Continued)**

Repairs and Maintenance	\$3,126	\$8,635	(\$5,509)
Other Capital Outlay	\$628	\$14,382	(\$13,754)
<b>Issue II Fund</b>			
Capital Outlay:			
Streets, Highways, Sidewalks and Curbs	\$0	\$4,413	(\$4,413)
<b>Enterprise Deposit Fund</b>			
Sanitary Sewers & Sewage:			
Deposits Refunded	\$500	\$1,000	(\$500)

The following funds/accounts had expenditures which exceeded approved appropriations at December 31, 2002:

Fund	Approved Appropriations	Expenditures	Variance
<b>General Fund</b>			
Other Financing Uses:			
Transfers	\$0	\$9,003	(\$9,003)
<b>Street Maintenance Fund</b>			
Capital Outlay:			
Other Capital Outlay	\$9,473	\$12,117	(\$2,644)
<b>Special Assessment Debt Fund</b>			
Debt Service:			
Principal	\$19,882	\$20,783	(\$901)
<b>Sewer Construction Fund</b>			
Capital Outlay:			
Accounting and Legal Fees	\$0	\$168	(\$168)

**VILLAGE OF SENECAVILLE  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2002-31030-004 (Continued)**

Engineering Services	\$0	\$6,002	(\$6,002)
Debt Service:			
Interest	\$0	\$88,351	(\$88,351)
Other Debt Service	\$0	\$864,000	(\$864,000)
Other Financing Uses:			
Contingencies	\$0	\$44,192	(\$44,192)
<b>Sewer Fund</b>			
Other Utilities:			
Public Employees Retirement System	\$1,550	\$1,803	(\$253)
<b>Sewer Deposit Fund</b>			
Other Utilities:			
Deposits Refunded	\$0	\$500	(\$500)

Supplemental appropriations were posted to the accounting system which were not formally approved by Council and certified by the County Budget Commission. As a result, the Village had expenditures in excess of approved appropriations.

We recommend the Clerk post to the ledgers only those appropriations which have been approved by Council and have been sent to the County Budget Commission to obtain the certificate that appropriations do not exceed estimated resources.







**Auditor of State  
Betty Montgomery**

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**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  
MAY 8, 2003**