



Dave Yost • Auditor of State

VILLAGE OF AMANDA
FAIRFIELD COUNTY

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Dave Yost • Auditor of State

Village of Amanda
Fairfield County
116 East Main Street
PO box 250
Amanda, Ohio 43102-0250

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Village to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 20, 2012

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Amanda
Fairfield County
116 East Main Street
PO Box 250
Amanda, Ohio 43102-0250

To the Village Council:

We have audited the accompanying financial statements of Village of Amanda, Fairfield County, Ohio (the Village) as of and for the years ended December 31, 2011 and 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Government because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Amanda, Fairfield County, Ohio, as of December 31, 2011 and 2010, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1, during 2011 the Village of Amanda, Fairfield County, Ohio adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2012, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Dave Yost
Auditor of State

August 20, 2012

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 32,437	\$ 31,422	\$ 63,859
Intergovernmental	15,038	75,852	90,890
Charges for Services	63,150	-	63,150
Fines, Licenses and Permits	463	-	463
Earnings on Investments	346	346	692
Miscellaneous	5,968	5,810	11,778
<i>Total Cash Receipts</i>	<u>117,402</u>	<u>113,430</u>	<u>230,832</u>
Cash Disbursements			
Current:			
Security of Persons and Property	10,781	-	10,781
Public Health Services	-	315	315
Leisure Time Activities	3,589	5,523	9,112
Basic Utility Services	56,094	-	56,094
Transportation	-	75,613	75,613
General Government	53,319	497	53,816
<i>Total Cash Disbursements</i>	<u>123,783</u>	<u>81,948</u>	<u>205,731</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(6,381)</u>	<u>31,482</u>	<u>25,101</u>
<i>Net Change in Fund Cash Balances</i>	(6,381)	31,482	25,101
<i>Fund Cash Balances, January 1</i>	<u>28,081</u>	<u>115,559</u>	<u>143,640</u>
Fund Cash Balances, December 31			
Restricted	-	147,040	147,040
Unassigned (Deficit)	21,700	-	21,700
<i>Fund Cash Balances, December 31</i>	<u>\$ 21,700</u>	<u>\$ 147,040</u>	<u>\$ 168,740</u>

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

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 286,421	\$ -	\$ 286,421
<i>Total Operating Cash Receipts</i>	<u>286,421</u>	<u>-</u>	<u>286,421</u>
Operating Cash Disbursements			
Personal Services	42,801	-	42,801
Employee Fringe Benefits	4,780	-	4,780
Contractual Services	94,619	-	94,619
Supplies and Materials	23,471	-	23,471
Other	50	-	50
<i>Total Operating Cash Disbursements</i>	<u>165,721</u>	<u>-</u>	<u>165,721</u>
<i>Operating Income</i>	<u>120,700</u>	<u>-</u>	<u>120,700</u>
Non-Operating Receipts (Disbursements)			
Special Assessments	1,269	-	1,269
Miscellaneous Receipts	12,511	15,600	28,111
Principal Retirement	(80,625)	-	(80,625)
Interest and Other Fiscal Charges	(70,784)	-	(70,784)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(137,629)</u>	<u>15,600</u>	<u>(122,029)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(16,929)</u>	<u>15,600</u>	<u>(1,329)</u>
<i>Fund Cash Balances, January 1</i>	<u>237,487</u>	<u>-</u>	<u>237,487</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 220,558</u>	<u>\$ 15,600</u>	<u>\$ 236,158</u>

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

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$ 33,586	\$ 32,290	\$ 65,876
Intergovernmental	20,564	94,354	114,918
Charges for Services	62,924	-	62,924
Fines, Licenses and Permits	304	-	304
Earnings on Investments	7,079	360	7,439
Miscellaneous	3,109	26	3,135
	<u>127,566</u>	<u>127,030</u>	<u>254,596</u>
Total Cash Receipts			
	<u>127,566</u>	<u>127,030</u>	<u>254,596</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	12,015	-	12,015
Public Health Services	-	9,364	9,364
Leisure Time Activities	3,534	21,233	24,767
Basic Utility Service	55,158	-	55,158
Transportation	-	48,475	48,475
General Government	55,190	470	55,660
	<u>125,897</u>	<u>79,542</u>	<u>205,439</u>
Total Cash Disbursements			
	<u>125,897</u>	<u>79,542</u>	<u>205,439</u>
Total Receipts Over Disbursements	<u>1,669</u>	<u>47,488</u>	<u>49,157</u>
Other Financing Receipts / (Disbursements):			
Advances-In	810	810	1,620
Advances-Out	(810)	(810)	(1,620)
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Receipts / (Disbursements)			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	1,669	47,488	49,157
Fund Cash Balances, January 1	<u>26,412</u>	<u>68,071</u>	<u>94,483</u>
Fund Cash Balances, December 31	<u>\$ 28,081</u>	<u>\$ 115,559</u>	<u>\$ 143,640</u>

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

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 276,592
Miscellaneous	51,900
Total Operating Cash Receipts	328,492
Operating Cash Disbursements:	
Personal Services	34,746
Employee Fringe Benefits	4,309
Contractual Services	120,425
Supplies and Materials	23,351
Other	49,896
Total Operating Cash Disbursements	232,727
Operating Income	95,765
Non-Operating Cash Receipts:	
Other Debt Proceeds	8,958
Total Non-Operating Cash Receipts	8,958
Non-Operating Cash Disbursements:	
Redemption of Principal	78,656
Interest and Other Fiscal Charges	72,719
Total Non-Operating Cash Disbursements	151,375
Net Receipts (Under) Disbursements	(46,652)
Fund Cash Balances, January 1	284,136
Fund Cash Balances, December 31	\$ 237,484

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

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Amanda, Fairfield County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government, water and sewer utilities, and maintenance of Village roads.

The Village contracts with the Fairfield County Sheriff's department to provide security of persons and property. The Village contracts with Amanda Township to receive fire protection services.

The Village participates in a jointly governed organization. Note 9 to the financial statements provides additional information for this entity. The organization is:

Jointly Governed Organization:
Fairfield County Regional Planning Commission

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values certificate of deposits at cost.

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 reports all financial resources except those required to be accounted for in another fund.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose 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.

Street Levy Fund – This fund is used for street improvements.

3. Enterprise Funds

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

Sewer Debt Service Fund – This fund receives monies from fees assessed to sewer users. The monies are used to retire debt incurred to operate the sewer system.

4. Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for insurance, bond, money received from a house fire within the Village. This money will be returned to the home owner once the property clean up has been complete.

VILLAGE OF AMANDA
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village 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 individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

F. Fund Balance

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

VILLAGE OF AMANDA
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

F. **Fund Balance (Continued)**

For December 31, 2011, fund balance is divided into five classifications based primarily on the

3. **Committed**

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. **Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. **Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. **Property, Plant, and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

H. **Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

2. Equity in Pooled Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2011	2010
Demand deposits	\$347,975	\$324,201
Certificates of deposit	56,923	56,923
Total deposits	\$404,898	\$381,124

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

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$116,181	\$117,402	\$1,221
Special Revenue	119,794	113,430	(6,364)
Enterprise	312,940	300,201	(12,739)
Total	\$548,915	\$531,033	(\$17,882)

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$143,927	\$123,783	\$20,144
Special Revenue	204,354	81,948	122,406
Enterprise	460,176	317,130	143,046
Total	\$808,457	\$522,861	\$285,596

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$119,317	\$127,566	\$8,249
Special Revenue	81,510	127,030	45,520
Enterprise	302,748	337,450	34,702
Total	\$503,575	\$592,046	\$88,471

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

3. Budgetary Activity (Continued)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$146,675	\$125,897	\$20,778
Special Revenue	266,488	79,542	186,946
Enterprise	499,101	384,102	114,999
Total	\$912,264	\$589,541	\$322,723

Contrary to Ohio law, appropriations exceeded estimated resources in the State Grants fund by \$56,000, the State Grants-ODNR Bike Trail Fund by \$60,000 and the Other Enterprise fund by \$48,800, for the year ended December 31, 2010. Also, for 2011, the Village had appropriations in excess of estimated resources in the Parks & Rec. Fund by \$5,000, and the Federal Grants fund by \$26.

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

5. Debt

Debt outstanding at December 31, 2011 was as follows:

	Principal	Interest Rate
Sewer Mortgage Revenue Bonds	\$665,700	5.50%
OWDA Loan (#3985)	\$94,345	5.01%
OWDA Loan (#4667)	1,854,326	1.50%
OPWC Loan (#CQ11J)	103,538	0.00%
Total	\$2,717,909	

The FmHA Sewer Mortgage Revenue Bonds were obtained for the purpose of paying the costs of constructing the Village's sewer system. The loan will be repaid in over 40 years. The loan is secured by sewer receipts. The Village has agreed to set utility rates sufficient to cover debt service requirements.

OWDA Loan (#3985) relates to waterline construction. The OWDA approved \$109,999 in a loan related to this project. The Village repays the loan in semiannual installments of \$3,563, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

5. Debt (Continued)

OWDA Loan (#4667) relates to water system improvements. The OWDA approved \$1,966,000 in a loan related to this project. The Village repays the loan in semiannual installments of \$41,888, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements

The mortgage revenue bond covenant requires the Village to establish and fund a debt service reserve fund, included as a debt service fund. The balance in the fund at December 31, 2011 is \$54,300.

The Ohio Public Works Commission (OPWC) loan CQ11J relates to a water system improvements project. OPWC approved up to \$125,500 in a loan to the Village for this project. This loan was drawn down in 2008. The Village repays the loan in semi-annual installments of \$3,138, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

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

Year ending December 31:	Sewer Mortgage Revenue Bonds	OWDA Loan #3985	OWDA Loan #4667	OPWC Loan CQ11J
2012	\$54,213	\$7,126	\$83,776	\$6,275
2013	54,245	7,126	83,776	6,275
2014	54,223	7,126	83,776	6,275
2015	54,245	7,126	83,776	6,275
2016	54,206	7,126	83,776	6,275
2017-2021	271,143	35,629	418,881	31,375
2022-2026	271,202	35,629	418,881	31,375
2027-2031	271,145	35,629	418,881	9,413
2032-2036	54,227	14,251	418,881	0
2037-2038	0	0	167,552	0
Total	<u>\$1,138,849</u>	<u>\$156,768</u>	<u>\$2,261,956</u>	<u>\$103,538</u>

6. Retirement Systems

The Village's officials and employees belong to the Ohio Public Employees Retirement System (OPERS). The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10%, respectively, of their gross salaries and the Village contributed an amount equaling 14%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2011.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

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.

8. Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

9. Jointly Governed Organizations

Fairfield Regional Planning Commission. The Village appoints a member of Council to represent the Village on the 47 member board of the Fairfield Regional Planning Commission. The Village pays a small membership fee annually based on the per capita of the Village. There is no ongoing financial responsibility by the Village.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Amanda
Fairfield County
116 East Main Street
PO Box 250
Amanda, Ohio 43102-0250

To the Village Council:

We have audited the financial statements of Village of Amanda, Fairfield County, Ohio (the Village) as of and for the years ended December 31, 2011 and 2010 and have issued our report thereon dated August 20, 2012 wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America, and we noted the Village adopted Governmental Accounting Standards Board Statement No. 54. We also noted the Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2011-002 and 2011-003.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated August 20, 2012.

We intend this report solely for the information and use of management, Village of Council, and others within the Village. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

August 20, 2012

VILLAGE OF AMANDA
FAIRFIELD COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010

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

FINDING NUMBER 2011-001

Financial Statement Presentation - Material Weakness

A monitoring system by the Fiscal Officer and Village Council should be in place to prevent or detect material misstatements for the accurate presentation to the Village's financial statements.

The Fiscal Officer did not always accurately post receipts to the Village's accounting system. The following posting errors were noted:

FY 2010:

- \$8,958 of Ohio Water Development Authority (OWDA) loan proceeds in the Enterprise Fund was misposted as intergovernmental receipts in the Special Revenue Fund,
- \$44,896 of intergovernmental receipts in the Special Revenue Fund was misposted as miscellaneous receipts in the Enterprise Fund,
- \$97,177 of OWDA and OPWC loan principal and interest payments were misposted as other expenditures, and
- \$7,500 of charges for services and intergovernmental receipts were misposted as miscellaneous receipts.

FY 2011:

- \$41,786 of intergovernmental receipts in the Special Revenue Fund was misposted as miscellaneous receipts in the Enterprise Fund,
- \$15,600 of non-operating miscellaneous receipts in the Agency Fund was misposted as intergovernmental receipts in the Capital Projects Fund, and
- \$97,177 of OWDA and OPWC loan principal and interest payments were misposted as other expenditures.

Not posting revenues and expenditures accurately to the ledgers resulted in the financial statements requiring audit adjustments and reclassification entries, including additional time and effort to identify the variances and discrepancies.

We recommend the Fiscal Officer take steps to ensure the accurate presentation of the financial statements. Transactions should be posted in accordance with procedures and posting guidelines established in the Uniform Accounting Network chart of accounts. By exercising accuracy in recording financial activity, the Village can reduce posting errors and increase the reliability of financial data throughout the year and at year end.

The Village's financial statements and, where applicable, the accounting records have been adjusted to accurately reflect these adjustments.

The Fiscal Officer should review the audit adjustments identified above to ensure that similar errors are not reported in subsequent years.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

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

FINDING NUMBER 2011-002

Appropriations Exceeding Estimated Resources

Ohio Rev. Code Section 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenues available for expenditure as certified by the budget commission.

Ohio Rev. Code Section 5705.36(A)(3) states upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be greater than the amount included in an official certificate and the legislative authority intends to appropriate and expend the excess revenue, the fiscal officer shall certify the amount of the excess to the commission, and if the commission determines that the fiscal officer's certification is reasonable, the commission shall certify an amended official certificate reflecting the excess.

Appropriations were in excess of estimated resources as follows:

Fund	Total Appropriations	Total Estimated Resources	Variance
12/31/10			
State Grants Fund	\$56,000	\$0	\$56,000
State Grants-ODNR Bike Trail Fund	60,000	0	60,000
Other Enterprise Fund	48,800	0	48,800
12/31/11			
Parks & Rec. Fund	5,000	0	5,000
Federal Grants Fund	1,981	1955	26

We recommend Council review the Official Amended Certificate of Estimated Resources when passing permanent appropriations to ensure such appropriations do not exceed certified resources for each fund. Also, Council should not authorize appropriations in excess of the certificate of estimated resources.

In addition, Ohio Rev. Code Section 5705.36, permits a village to obtain an amended certificate of estimated resources from the county budget commission for monies received in excess of the prior estimate or from new sources. For both 2011 and 2010, the Village could have obtained amended certificates for amounts greater than originally estimated.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

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

FINDING NUMBER 2011-003

Prior Certification

Ohio Rev. Code Section 5705.41(D) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. "Then and Now" Certificates.

Amounts less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of the expenditures by the Village.

2. Blanket Certificates. Fiscal officers may prepare "blanket" certificates if the Village has approved their use and established maximum amounts.

3. Super Blanket Certificates. The Village may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operation expense. This certification is not to extend beyond the current year. More than one so-called "super blanket" certificate may be outstanding at a particular time for any line item appropriation.

The Village did not certify the availability of funds prior to the purchase commitment for 41% of expenditures tested. For these items, the Village also did not prepare blanket certificates, super blanket certificates or then and now certificates in accordance with the Ohio Revised Code. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

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

FINDING NUMBER 2011-003 (Continued)

Prior Certification (Continued)

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend the Fiscal Officer certify that the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used and approved by Council.

We recommend the Village certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper code, to reduce the available appropriations.

We did not receive responses from Officials to the above findings.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Financial Statement Presentation – Material Weakness	No	Repeated as finding 2011-001
2009-002	Appropriations vs. Estimated Resources	No	Repeated as finding 2011-002
2009-003	Expenditures Exceeding Appropriations	Yes	
2009-004	Certification of Funds	No	Repeated as finding 2011-003

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Dave Yost • Auditor of State

VILLAGE OF AMANDA

FAIRFIELD 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, 2012