



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Coal Grove  
Lawrence County  
513 Carlton Davidson Lane  
Coal Grove, Ohio 45638

To the Village Council:

We have audited the accompanying financial statements of the Village of Coal Grove, Lawrence County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. 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 of the Village of Coal Grove, Lawrence County, as of December 31, 1999 and 1998, 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 April 11, 2000 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.

This report is intended solely for the information and use of 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

April 11, 2000



**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> |                            |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|---|--------------------------------|----------------------------|-----------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>   |                                |                            |                             |   |
| Property Tax and Other Local Taxes  | \$211,486                      | \$7,601                    |                             | \$219,087                               |
| Intergovernmental Receipts  | 40,095                         | 68,490                     | \$46,507                    | 155,092                                 |
| Charges for Services  | 1,190                          |                            |                             | 1,190                                   |
| Fines, Licenses, and Permits  | 65,669                         | 700                        |                             | 66,369                                  |
| Earnings on Investments   | 14,594                         | 3,328                      |                             | 17,922                                  |
| Miscellaneous   | 13,811                         |                            |                             | 13,811                                  |
| <b>Total Cash Receipts</b>  | <u>346,845</u>                 | <u>80,119</u>              | <u>46,507</u>               | <u>473,471</u>                          |
| <b>Cash Disbursements:</b>  |                                |                            |                             |   |
| Current:  |                                |                            |                             |   |
| Security of Persons and Property  | 158,000                        |                            |                             | 158,000                                 |
| Leisure Time Activities   | 10,438                         |                            |                             | 10,438                                  |
| Community Environment   | 220                            |                            |                             | 220                                     |
| Transportation  | 40,806                         | 102,339                    |                             | 143,145                                 |
| General Government  | 144,186                        |                            |                             | 144,186                                 |
| Capital Outlay  | 21,422                         | 3,237                      | 63,408                      | 88,067                                  |
| <b>Total Disbursements</b>  | <u>375,072</u>                 | <u>105,576</u>             | <u>63,408</u>               | <u>544,056</u>                          |
| <b>Total Receipts Over/(Under) Disbursements</b>  | <u>(28,227)</u>                | <u>(25,457)</u>            | <u>(16,901)</u>             | <u>(70,585)</u>                         |
| <b>Other Financing Receipts/(Disbursements):</b>  |                                |                            |                             |   |
| Transfers-In  | 566                            | 24,336                     | 18,000                      | 42,902                                  |
| Transfers-Out   | (38,000)                       | (21,910)                   |                             | (59,910)                                |
| <b>Total Other Financing Receipts/(Disbursements)</b>   | <u>(37,434)</u>                | <u>2,426</u>               | <u>18,000</u>               | <u>(17,008)</u>                         |
| <b>Excess of Cash Receipts and Other Financing<br/>Receipts Over/(Under) Cash Disbursements<br/>and Other Financing Disbursements</b> | <u>(65,661)</u>                | <u>(23,031)</u>            | <u>1,099</u>                | <u>(87,593)</u>                         |
| <b>Fund Cash Balances, January 1</b>  | <u>200,405</u>                 | <u>83,960</u>              | <u>3,128</u>                | <u>287,493</u>                          |
| <b>Fund Cash Balances, December 31</b>  | <u><b>\$134,744</b></u>        | <u><b>\$60,929</b></u>     | <u><b>\$4,227</b></u>       | <u><b>\$199,900</b></u>                 |

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

**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<br/>Fund Type</u> | <u>Fiduciary<br/>Fund Type</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|----------------------------------|--------------------------------|---|
|  | <u>Enterprise</u>                | <u>Agency</u>                  |   |
| <b>Operating Cash Receipts:</b>  |                                  |                                |   |
| Charges for Services   | \$586,314                        |                                | \$586,314                               |
| Miscellaneous  | 150                              | \$0                            | 150                                     |
| Total Operating Cash Receipts  | <u>586,464</u>                   | <u>0</u>                       | <u>586,464</u>                          |
| <b>Operating Cash Disbursements:</b>   |                                  |                                |   |
| Personal Services  | 220,564                          |                                | 220,564                                 |
| Fringe Benefits  | 119,935                          |                                | 119,935                                 |
| Contractual Services   | 146,106                          |                                | 146,106                                 |
| Supplies and Materials   | 82,494                           |                                | 82,494                                  |
| Capital Outlay   | 6,748                            | 0                              | 6,748                                   |
| Total Operating Cash Disbursements   | <u>575,847</u>                   | <u>0</u>                       | <u>575,847</u>                          |
| Operating Income/(Loss)  | <u>10,617</u>                    | <u>0</u>                       | <u>10,617</u>                           |
| <b>Non-Operating Cash Receipts:</b>  |                                  |                                |   |
| Other Non-Operating Cash Receipts  |                                  | 61,552                         | 61,552                                  |
| Property Tax and Other Local Taxes   | 53,865                           | 0                              | 53,865                                  |
| Total Non-Operating Cash Receipts  | 53,865                           | 61,552                         | 115,417                                 |
| <b>Non-Operating Cash Disbursements:</b>   |                                  |                                |   |
| Debt Service   | 105,917                          |                                | 105,917                                 |
| Other Non-Operating Cash Disbursements   |                                  | 66,134                         | 66,134                                  |
| Total Non-Operating Cash Disbursements   | <u>105,917</u>                   | <u>66,134</u>                  | <u>172,051</u>                          |
| Excess of Receipts Over/(Under) Disbursements<br>Before Interfund Transfers and Advances | (41,435)                         | (4,582)                        | (46,017)                                |
| Transfers-In   | 25,008                           |                                | 25,008                                  |
| Transfers-Out  | <u>(8,000)</u>                   | <u>0</u>                       | <u>(8,000)</u>                          |
| Net Receipts Over/(Under) Disbursements  | (24,427)                         | (4,582)                        | (29,009)                                |
| Fund Cash Balances, January 1  | <u>261,717</u>                   | <u>7,285</u>                   | <u>269,002</u>                          |
| <b>Fund Cash Balances, December 31</b>   | <b><u>\$237,290</u></b>          | <b><u>\$2,703</u></b>          | <b><u>\$239,993</u></b>                 |

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



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

|  | <u>Governmental Fund Types</u> |                            |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|--|--------------------------------|----------------------------|-----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>  |                                |                            |                             |   |
| Property Tax and Other Local Taxes   | \$185,326                      | \$6,349                    |                             | \$191,675                               |
| Intergovernmental Receipts   | 55,870                         | 71,818                     | \$46,656                    | 174,344                                 |
| Charges for Services   | 1,400                          |                            |                             | 1,400                                   |
| Fines, Licenses, and Permits   | 100,632                        | 1,200                      |                             | 101,832                                 |
| Earnings on Investments  | 18,055                         | 3,117                      |                             | 21,172                                  |
| Miscellaneous  | 18,499                         | 3,348                      |                             | 21,847                                  |
|  | <u>379,782</u>                 | <u>85,832</u>              | <u>46,656</u>               | <u>512,270</u>                          |
| <b>Cash Disbursements:</b>   |                                |                            |                             |   |
| Current:   |                                |                            |                             |   |
| Security of Persons and Property   | 138,321                        | 2,665                      |                             | 140,986                                 |
| Leisure Time Activities  | 12,163                         |                            |                             | 12,163                                  |
| Community Environment  | 243                            |                            |                             | 243                                     |
| Transportation   | 14,197                         | 115,532                    |                             | 129,729                                 |
| General Government   | 171,441                        |                            | 8,446                       | 179,887                                 |
| Capital Outlay   |                                |                            | 46,656                      | 46,656                                  |
|  | <u>336,365</u>                 | <u>118,197</u>             | <u>55,102</u>               | <u>509,664</u>                          |
| Total Receipts Over/(Under) Disbursements  | <u>43,417</u>                  | <u>(32,365)</u>            | <u>(8,446)</u>              | <u>2,606</u>                            |
| <b>Other Financing Receipts/(Disbursements):</b>   |                                |                            |                             |   |
| Transfers-In   |                                | 34,600                     |                             | 34,600                                  |
| Transfers-Out  | (34,600)                       |                            |                             | (34,600)                                |
| Total Other Financing Receipts/(Disbursements)   | <u>(34,600)</u>                | <u>34,600</u>              | <u>0</u>                    | <u>0</u>                                |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | 8,817                          | 2,235                      | (8,446)                     | 2,606                                   |
| Fund Cash Balances, January 1  | 191,588                        | 81,725                     | 11,574                      | 284,887                                 |
| <b>Fund Cash Balances, December 31</b>   | <b><u>\$200,405</u></b>        | <b><u>\$83,960</u></b>     | <b><u>\$3,128</u></b>       | <b><u>\$287,493</u></b>                 |

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

**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, 1998**

|  | <u>Proprietary<br/>Fund Type</u> | <u>Fiduciary<br/>Fund Type</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|----------------------------------|--------------------------------|---|
|  | <u>Enterprise</u>                | <u>Agency</u>                  |   |
| <b>Operating Cash Receipts:</b>  |                                  |                                |   |
| Charges for Services   | \$587,645                        | \$0                            | \$587,645                               |
| Miscellaneous  | 14,915                           |                                | 14,915                                  |
|  | <u>602,560</u>                   | <u>0</u>                       | <u>602,560</u>                          |
| <b>Operating Cash Disbursements:</b>   |                                  |                                |   |
| Personal Services  | 190,627                          |                                | 190,627                                 |
| Fringe Benefits  | 95,592                           |                                | 95,592                                  |
| Contractual Services   | 169,138                          |                                | 169,138                                 |
| Supplies and Materials   | 81,225                           |                                | 81,225                                  |
| Capital Outlay   | 6,562                            |                                | 6,562                                   |
|  | <u>543,144</u>                   | <u>0</u>                       | <u>543,144</u>                          |
| Operating Income/(Loss)  | <u>59,416</u>                    | <u>0</u>                       | <u>59,416</u>                           |
| <b>Non-Operating Cash Receipts:</b>  |                                  |                                |   |
| Other Non-Operating Cash Receipts  |                                  | 98,111                         | 98,111                                  |
| Property Tax and Other Local Taxes   | 53,576                           |                                | 53,576                                  |
| Intergovernmental Receipts   | 6,228                            |                                | 6,228                                   |
|  | <u>59,804</u>                    | <u>98,111</u>                  | <u>157,915</u>                          |
| <b>Non-Operating Cash Disbursements:</b>   |                                  |                                |   |
| Other Non-Operating Cash Disbursements   |                                  | 104,173                        | 104,173                                 |
| Debt Service   | 107,564                          |                                | 107,564                                 |
|  | <u>107,564</u>                   | <u>104,173</u>                 | <u>211,737</u>                          |
| Excess of Receipts Over/(Under) Disbursements<br>Before Interfund Transfers and Advances | 11,656                           | (6,062)                        | 5,594                                   |
| Transfers-In   | 8,000                            |                                | 8,000                                   |
| Transfers-Out  | (8,000)                          |                                | (8,000)                                 |
|  | <u>11,656</u>                    | <u>(6,062)</u>                 | <u>5,594</u>                            |
| Net Receipts Over/(Under) Disbursements  | 11,656                           | (6,062)                        | 5,594                                   |
| Fund Cash Balances, January 1  | <u>250,061</u>                   | <u>13,347</u>                  | <u>263,408</u>                          |
| <b>Fund Cash Balances, December 31</b>   | <b><u>\$261,717</u></b>          | <b><u>\$7,285</u></b>          | <b><u>\$269,002</u></b>                 |

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999-1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Coal Grove, Lawrence 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.

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

**C. Cash and Investments**

Cash and investments are valued at cost.

The Village maintains only one type of investment which is an overnight repurchase agreement with the National City Bank of Columbus. In this agreement, Village funds are withdrawn from the account and invested overnight in U.S. Treasury Notes. Interest on each investment is accrued and credited to each account daily. The amount of interest to be earned varies daily.

**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 Fund**

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.

*FEMA Fund* - This fund receives monies from the Federal Emergency Management Agency to provide flood relief to the Village.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999-1998**  
**(Continued)**

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

**D. Fund Accounting (Continued)**

**3. 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:

*Construction Fund* - This fund receives proceeds of Ohio Public Works Commission for the purpose of renovating lift stations at the sewer plant.

**4. 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 Fund* - This fund receives charges for services from residents and the surrounding communities to cover the cost of providing this utility.

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

*Utility Improvement Fund* - This fund receives loan proceeds from the Ohio Water Development Authority to finance a utility plant expansion. This loan will be repaid from a utility surcharge, also accounted for in this fund.

**5. Agency Funds**

Agency funds are used to account for resources for which the Village is acting in an agency capacity. The Village had the following significant Agency Fund:

*Mayor's Court* - This fund receives court collections on behalf of other agencies.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) 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. Appropriations lapse at year end.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999-1998**  
**(Continued)**

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

**E. Budgetary Process - (Continued)**

**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 canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 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.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Village maintains a cash and investments 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>1999</u> | <u>1998</u> |
|--------------------------------|-------------|-------------|
| Demand deposits                | \$ 50,893   | \$ 49,495   |
| Investments:                   |             |             |
| Repurchase Agreements          | 389,000     | 507,000     |
| Total deposits and investments | \$ 439,893  | \$ 556,495  |

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999-1998**  
**(Continued)**

**3. BUDGETARY ACTIVITY**

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

| 1999 Budgeted vs. Actual Receipts |                      |                    |           |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance  |
| General                           | \$ 324,752           | \$ 347,411         | \$ 22,659 |
| Special Revenue                   | 119,090              | 104,455            | (14,635)  |
| Capital Projects                  | 64,507               | 64,507             | 0         |
| Enterprise                        | 670,000              | 665,337            | (4,663)   |
| Total                             | \$ 1,178,349         | \$ 1,181,710       | \$ 3,361  |

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |            |
|---|----------------------------|---------------------------|------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance   |
| General   | \$ 537,421                 | \$ 413,072                | \$ 124,349 |
| Special Revenue                                       | 153,566                    | 127,486                   | 26,080     |
| Capital Projects                                      | 64,215                     | 63,408                    | 807        |
| Enterprise  | 850,741                    | 689,764                   | 160,977    |
| Total   | \$ 1,605,943               | \$ 1,293,730              | \$ 312,213 |

| 1998 Budgeted vs. Actual Receipts |                      |                    |           |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance  |
| General                           | \$ 326,682           | \$ 379,782         | \$ 53,100 |
| Special Revenue                   | 103,545              | 120,432            | 16,887    |
| Capital Projects                  | 46,656               | 46,656             | 0         |
| Enterprise                        | 641,500              | 670,364            | 28,864    |
| Total                             | \$ 1,118,383         | \$ 1,217,234       | \$ 98,851 |

| 1998 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |            |
|---|----------------------------|---------------------------|------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance   |
| General   | \$ 530,080                 | \$ 370,965                | \$ 159,115 |
| Special Revenue                                       | 160,947                    | 118,197                   | 42,750     |
| Capital Projects                                      | 55,102                     | 55,102                    | 0          |
| Enterprise  | 774,675                    | 658,708                   | 115,967    |
| Total   | \$ 1,520,804               | \$ 1,202,972              | \$ 317,832 |

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999-1998**  
**(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, 1999 was as follows:

|                                       | Principal    | Interest<br>Rate |
|---------------------------------------|--------------|------------------|
| Ohio Water Development Authority Loan | \$ 411,380   | 8.26%            |
| General Obligation Bonds              | 17,637       | 0.00%            |
| Special Assessment Notes              | 433,700      | 5.00%            |
| Mortgage Revenue Bonds                | 170,000      | 6.75%            |
| Total                                 | \$ 1,032,717 |                  |

The Ohio Water Development Authority (OWDA) loan and Special Assessment Notes relate to various sewer projects. The General Obligation Notes and Mortgage Revenue Bonds relate to various water projects.

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

| Year ending<br>December 31: | OWDA<br>Loan | General<br>Obligation<br>Bonds | Special<br>Assessments<br>Notes | Mortgage<br>Revenue<br>Bonds |
|-----------------------------|--------------|--------------------------------|---------------------------------|------------------------------|
| 2000                        | \$ 18,125    | \$ 1,764                       | \$ 29,585                       | \$ 35,631                    |
| 2001                        | 36,249       | 3,527                          | 29,590                          | 33,944                       |
| 2002                        | 36,250       | 3,527                          | 29,675                          | 32,256                       |
| 2003                        | 36,250       | 3,527                          | 29,635                          | 35,400                       |
| 2004                        | 36,250       | 3,527                          | 29,575                          | 33,375                       |
| Subsequent                  | 308,125      | 1,764                          | 651,675                         | 36,181                       |
| Total                       | \$ 471,249   | \$ 17,636                      | \$ 799,735                      | \$ 206,787                   |

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999-1998**  
**(Continued)**

**6. RETIREMENT SYSTEMS**

The Village's law enforcement officers 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 1999 and 1998, 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. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- Comprehensive Property General Liability
- Public official's liability
- Vehicle
- Errors and Omissions

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 Coal Grove  
Lawrence County  
513 Carlton Davidson Lane  
Coal Grove, Ohio 45638

To the Village Council:

We have audited the accompanying financial statements of the Village of Coal Grove, Lawrence County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998 and have issued our report thereon dated April 11, 2000. 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 April 11, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered 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 April 11, 2000.

Village of Coal Grove  
Lawrence County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of 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

April 11, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF COAL GROVE**

**LAWRENCE 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 23, 2000**