



**VILLAGE OF SOUTH POINT  
LAWRENCE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



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

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of South Point  
Lawrence County  
408 Second Street West  
South Point, Ohio 45680

To the Village Council:

We have audited the accompanying financial statements of the Village of South Point, 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 and reserves for encumbrances of the Village 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 March 24, 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 the management and Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

March 24, 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 (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$98,420	\$142,575	\$0	\$0	\$240,995
Special Assessments	0	2,855	0	0	2,855
Intergovernmental Receipts	49,034	129,428	0	31,943	210,405
Charges for Services	5,575	0	0	38,645	44,220
Fines, Licenses, and Permits	76,103	0	0	0	76,103
Earnings on Investments	6,648	5,323	0	0	11,971
Miscellaneous	6,919	608	0	0	7,527
<b>Total Cash Receipts</b>	<b>242,699</b>	<b>280,789</b>	<b>0</b>	<b>70,588</b>	<b>594,076</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	126,526	76,368	0	0	202,894
Leisure Time Activities	2,474	0	0	0	2,474
Transportation	0	131,579	0	0	131,579
General Government	40,000	0	0	0	40,000
Other	1,079	0	0	0	1,079
Debt Service:					
Principal Payments	0	0	56,729	0	56,729
Interest Payments	0	0	6,278	0	6,278
Capital Outlay	22,101	5,000	0	63,162	90,263
<b>Total Disbursements</b>	<b>192,180</b>	<b>212,947</b>	<b>63,007</b>	<b>63,162</b>	<b>531,296</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>50,519</b>	<b>67,842</b>	<b>(63,007)</b>	<b>7,426</b>	<b>62,780</b>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In	0	25,200	58,910	0	84,110
Transfers-Out	(25,200)	(58,910)	0	0	(84,110)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(25,200)</b>	<b>(33,710)</b>	<b>58,910</b>	<b>0</b>	<b>(0)</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>25,319</b>	<b>34,132</b>	<b>(4,097)</b>	<b>7,426</b>	<b>62,780</b>
<b>Fund Cash Balances January 1</b>	<b>124,311</b>	<b>145,142</b>	<b>9,153</b>	<b>16,849</b>	<b>295,455</b>
<b>Fund Cash Balances, December 31</b>	<b><u>\$149,630</u></b>	<b><u>\$179,274</u></b>	<b><u>\$5,056</u></b>	<b><u>\$24,275</u></b>	<b><u>\$358,235</u></b>
<b>Reserves for Encumbrances, December 31</b>	<b><u>\$144</u></b>	<b><u>\$1,245</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$1,389</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 FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$1,166,807	0	\$1,166,807
Total Operating Cash Receipts	1,166,807	0	1,166,807
<b>Operating Cash Disbursements:</b>			
Personal Services	294,004	0	294,004
Fringe Benefits	153,055	0	153,055
Contractual Services	291,344	0	291,344
Supplies and Materials	130,947	0	130,947
Capital Outlay	113,269	0	113,269
Total Operating Cash Disbursements	982,619	0	982,619
Operating Income/(Loss)	184,188	0	184,188
<b>Non-Operating Cash Receipts:</b>			
Special Assessments	20,125	0	20,125
Other Non-Operating Receipts	0	71,404	71,404
Total Non-Operating Cash Receipts	20,125	71,404	91,529
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	170,639	0	170,639
Other Non-Operating Cash Disbursements	0	78,490	78,490
Total Non-Operating Cash Disbursements	170,639	78,490	249,129
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers	33,674	(7,086)	26,588
Transfers-In	186,749	0	186,749
Transfers-Out	(186,749)	0	(186,749)
Net Receipts Over/(Under) Disbursements	33,674	(7,086)	26,588
Fund Cash Balances, January 1	384,951	10,100	\$395,051
<b>Fund Cash Balances, December 31</b>	<b>\$418,625</b>	<b>\$3,014</b>	<b>\$421,639</b>
Reserve for Encumbrances, December 31	\$1,474	0	\$1,474

*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 (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$90,563	\$138,415	\$0	\$0	\$228,978
Special Assessments	0	2,794	0	0	2,794
Intergovernmental Receipts	47,970	131,175	0	3,107	182,252
Charges for Services	2,775	0	0	19,310	22,085
Fines, Licenses, and Permits	75,848	0	0	0	75,848
Earnings on Investments	8,808	6,635	0	0	15,443
Miscellaneous	12,562	10,131	0	0	22,693
	<u>238,526</u>	<u>289,150</u>	<u>0</u>	<u>22,417</u>	<u>550,093</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	125,251	72,729	0	0	197,980
Leisure Time Activities	3,305	0	0	0	3,305
Transportation	0	117,166	0	0	117,166
General Government	40,354	0	0	0	40,354
Other	387	0	0	0	387
Debt Service:					
Principal Payments	36,433	0	50,004	0	86,437
Interest Payments	0	0	14,444	0	14,444
Capital Outlay	19,632	9,080	0	5,568	34,280
	<u>225,362</u>	<u>198,975</u>	<u>64,448</u>	<u>5,568</u>	<u>494,353</u>
Total Receipts Over/(Under) Disbursements	13,164	90,175	(64,448)	16,849	55,740
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In	0	23,500	60,455	0	83,955
Transfers-Out	(39,896)	(44,059)	0	0	(83,955)
	<u>(39,896)</u>	<u>(20,559)</u>	<u>60,455</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(26,732)	69,616	(3,993)	16,849	55,740
Fund Cash Balances January 1	151,043	75,526	13,146	0	239,715
<b>Fund Cash Balances, December 31</b>	<u><b>\$124,311</b></u>	<u><b>\$145,142</b></u>	<u><b>\$9,153</b></u>	<u><b>\$16,849</b></u>	<u><b>\$295,455</b></u>
Reserves for Encumbrances, December 31	<u>\$252</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$252</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 FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$1,116,230	\$0	\$1,116,230
Total Operating Cash Receipts	1,116,230	0	1,116,230
<b>Operating Cash Disbursements:</b>			
Personal Services	276,796	0	276,796
Fringe Benefits	130,979	0	130,979
Contractual Services	294,378	0	294,378
Supplies and Materials	116,265	0	116,265
Capital Outlay	47,235	0	47,235
Total Operating Cash Disbursements	865,653	0	865,653
Operating Income/(Loss)	250,577	0	250,577
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Receipts	0	87,610	87,610
Total Non-Operating Cash Receipts	0	87,610	87,610
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	170,939	0	170,939
Other Non-Operating Cash Disbursements	0	81,089	81,089
Total Non-Operating Cash Disbursements	170,939	81,089	252,028
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	79,638	6,521	86,159
Transfers-In	187,446	0	187,446
Transfers-Out	(187,446)	0	(187,446)
Net Receipts Over/(Under) Disbursements	79,638	6,521	86,159
Fund Cash Balances, January 1	305,313	3,579	308,892
<b>Fund Cash Balances, December 31</b>	<b>\$384,951</b>	<b>\$10,100</b>	<b>\$395,051</b>
Reserve for Encumbrances, December 31	\$4,321	\$0	\$4,321

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of South Point, 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), police services and general village maintenance.

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

The Village's certificate of deposit is valued 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 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.

Fire Department Fund - This fund receives tax monies assessed and levied on general assessed valuation of real and personal property taxes for the operation of the fire department.

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

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

COPS Fast Fund - This fund receives Federal and State monies to be used for the purpose of maintaining an adequate police force to patrol and protect the Village.

**3. Debt Service Funds**

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

Fire Truck Bond Fund - This fund is utilized for the payment of a new fire truck. The purchase is financed by a two mill levy passed by the people of the Village.

Street Repaving Fund - This fund is utilized for the payment of the repavement of various streets in the Village.

**4. Capital Project Fund**

This fund is 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:

Solida Road Sewer Extension Project Fund - This fund was established in April, 1998, to receive intergovernmental funding and customer tap fees for the future construction project.

**5. Enterprise Funds**

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

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

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

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

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

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

**D. Fund Accounting (Continued)**

**6. Agency Fund**

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Village had the following significant Agency Fund:

Mayor's Court Fund - This fund is used to account for the activities of the Village's Mayor Court.

**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. 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.

**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 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.

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

**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	\$ 679,874	\$ 590,506
Certificates of deposit	<u>100,000</u>	<u>100,000</u>
Total deposits	<u><u>779,874</u></u>	<u><u>690,506</u></u>

**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, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 242,699	\$ 242,699	\$ 0
Special Revenue	305,989	305,989	0
Debt Service	58,910	58,910	0
Capital Projects	70,588	70,588	0
Enterprise	<u>1,373,681</u>	<u>1,373,681</u>	<u>0</u>
Total	<u><u>\$ 2,051,867</u></u>	<u><u>\$ 2,051,867</u></u>	<u><u>\$ 0</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 229,289	\$ 217,524	\$ 11,765
Special Revenue	307,487	273,102	34,385
Debt Service	63,058	63,007	51
Capital Projects	2,015,711	63,162	1,952,549
Enterprise	<u>1,386,151</u>	<u>1,341,481</u>	<u>44,670</u>
Total	<u><u>\$ 4,001,696</u></u>	<u><u>\$ 1,958,276</u></u>	<u><u>\$ 2,043,420</u></u>

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

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 238,526	\$ 238,526	\$ 0
Special Revenue	312,650	312,650	0
Debt Service	60,455	60,455	0
Capital Projects	22,417	22,417	0
Enterprise	1,303,676	1,303,676	0
Total	\$ 1,937,724	\$ 1,937,724	\$ 0

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 270,716	\$ 265,510	\$ 5,206
Special Revenue	287,918	243,034	44,884
Debt Service	64,455	64,448	7
Capital Projects	475,711	5,568	470,143
Enterprise	1,274,835	1,228,359	46,476
Total	\$ 2,373,635	\$ 1,806,919	\$ 566,716

**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.

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

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$ 150,000	5.74%
Mortgage Revenue Bonds	1,422,620	7.89%
Total	\$ 1,572,620	

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

Year ending December 31:	General Obligation Bonds	Mortgage Revenue Bonds
2000	\$ 28,170	\$ 165,339
2001	31,836	165,339
2002	30,381	165,339
2003	28,926	165,339
2004	27,480	165,339
Subsequent	30,871	1,650,970
Total	\$ 177,664	\$ 2,477,665

**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, as well as the Clerk and Council members, 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 percent of their wages to the PFDPF. The Village contributed an amount equal to 19.5 percent of their wages. PERS members contributed 8.5 percent of their gross salaries. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.



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

**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:

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

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

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

Village of South Point  
Lawrence County  
408 Second Street West  
South Point, Ohio 45680

To the Village Council:

We have audited the accompanying financial statements of the Village of South Point, Lawrence County, Ohio, (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 24, 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 a certain immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated March 24, 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated March 24, 2000.

Village of South Point  
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Report of Independent Accountants on Compliance and on Internal Control  
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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

March 24, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF SOUTH POINT**

**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**