



**VILLAGE OF RIO GRANDE  
GALLIA COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2000 - 1999**



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

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**STATE OF OHIO**



VILLAGE OF RIO GRANDE  
GALLIA COUNTY

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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110

## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Rio Grande  
Gallia County  
P.O. Box 343  
Rio Grande, Ohio 45674

To the Village Council:

We have audited the accompanying financial statements of the Village of Rio Grande, Gallia County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Rio Grande, Gallia County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2001 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

April 27, 2001

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**VILLAGE OF RIO GRANDE  
GALLIA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$152,934	\$6,000	\$10,000	\$168,934
Intergovernmental Receipts	72,357	13,493		85,850
Charges for Services	22,235			22,235
Fines, Licenses, and Permits	9,843			9,843
Earnings on Investments	27,404			27,404
Miscellaneous	2,108			2,108
<b>Total Cash Receipts</b>	<u>286,881</u>	<u>19,493</u>	<u>10,000</u>	<u>316,374</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	110,376			110,376
Leisure Time Activities	690			690
Community Environment	460			460
Transportation	1,947	20,194		22,141
General Government	94,304			94,304
Debt Service:				
Principal Payments	4,121			4,121
Interest Payments	1,260			1,260
Financing and Other Debt-Service Related				0
Capital Outlay	84,604			84,604
<b>Total Cash Disbursements</b>	<u>297,762</u>	<u>20,194</u>	<u>0</u>	<u>317,956</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(10,881)</u>	<u>(701)</u>	<u>10,000</u>	<u>(1,582)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Sale of Notes	40,000			40,000
Sale of Assets			7,000	7,000
Advances-In	1,000			1,000
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>41,000</u>	<u>0</u>	<u>7,000</u>	<u>48,000</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>30,119</u>	<u>(701)</u>	<u>17,000</u>	<u>46,418</u>
<b>Fund Cash Balances, January 1</b>	<u>107,519</u>	<u>6,933</u>	<u>10,000</u>	<u>124,452</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$137,638</u></u>	<u><u>\$6,232</u></u>	<u><u>\$27,000</u></u>	<u><u>\$170,870</u></u>
<b>Reserves for Encumbrances, December 31</b>	<u><u>\$7,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$7,000</u></u>

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

**VILLAGE OF RIO GRANDE  
GALLIA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$331,248	\$	\$331,248
Miscellaneous	1,500		1,500
<b>Total Operating Cash Receipts</b>	<u>332,748</u>	<u>0</u>	<u>332,748</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	83,738		83,738
Fringe Benefits	36,463		36,463
Contractual Services	38,054		38,054
Supplies and Materials	46,245		46,245
Miscellaneous	26,713		26,713
Capital Outlay	23,220		23,220
<b>Total Operating Cash Disbursements</b>	<u>254,433</u>	<u>0</u>	<u>254,433</u>
Operating Income/(Loss)	<u>78,315</u>	<u>0</u>	<u>78,315</u>
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Cash Receipts		10,847	10,847
<b>Total Non-Operating Cash Receipts</b>	<u>0</u>	<u>10,847</u>	<u>10,847</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	89,988		89,988
Other Non-Operating Cash Disbursements		11,905	11,905
<b>Total Non-Operating Cash Disbursements</b>	<u>89,988</u>	<u>11,905</u>	<u>101,893</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(11,673)	(1,058)	(12,731)
Advances-Out	(1,000)		(1,000)
<b>Net Receipts Over/(Under) Disbursements</b>	<u>(12,673)</u>	<u>(1,058)</u>	<u>(13,731)</u>
Fund Cash Balances, January 1	218,379	1,422	219,801
<b>Fund Cash Balances, December 31</b>	<u><b>\$205,706</b></u>	<u><b>\$364</b></u>	<u><b>\$206,070</b></u>

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



**VILLAGE OF RIO GRANDE  
GALLIA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$137,864	\$6,000	\$10,000	\$153,864
Intergovernmental Receipts	72,148	14,439		86,587
Charges for Services	22,620			22,620
Fines, Licenses, and Permits	18,738			18,738
Earnings on Investments	9,521			9,521
Miscellaneous	3,148			3,148
<b>Total Cash Receipts</b>	<u>264,039</u>	<u>20,439</u>	<u>10,000</u>	<u>294,478</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	99,510	7,177		106,687
Leisure Time Activities	1,034			1,034
Community Environment	450			450
Transportation	2,937	17,238		20,175
General Government	108,967			108,967
Debt Service:				
Principal Payments	2,500			2,500
Interest Payments	32			32
Capital Outlay	35,353	240		35,593
<b>Total Cash Disbursements</b>	<u>250,783</u>	<u>24,655</u>	<u>0</u>	<u>275,438</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>13,256</u>	<u>(4,216)</u>	<u>10,000</u>	<u>19,040</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	381			381
Advances-In	6,000			6,000
Transfers-Out		(381)		(381)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>6,381</u>	<u>(381)</u>	<u>0</u>	<u>6,000</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>19,637</u>	<u>(4,597)</u>	<u>10,000</u>	<u>25,040</u>
<b>Fund Cash Balances, January 1</b>	<u>87,882</u>	<u>11,530</u>	<u>0</u>	<u>99,412</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$107,519</u></u>	<u><u>\$6,933</u></u>	<u><u>\$10,000</u></u>	<u><u>\$124,452</u></u>

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

**VILLAGE OF RIO GRANDE  
GALLIA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$347,246	\$	\$347,246
Miscellaneous	5,168		5,168
<b>Total Operating Cash Receipts</b>	<u>352,414</u>	<u>0</u>	<u>352,414</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	78,333		78,333
Fringe Benefits	34,965		34,965
Contractual Services	35,621		35,621
Supplies and Materials	46,672		46,672
Miscellaneous	19,428		19,428
Capital Outlay	29,598		29,598
<b>Total Operating Cash Disbursements</b>	<u>244,617</u>	<u>0</u>	<u>244,617</u>
Operating Income/(Loss)	<u>107,797</u>	<u>0</u>	<u>107,797</u>
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Cash Receipts		23,354	23,354
<b>Total Non-Operating Cash Receipts</b>	<u>0</u>	<u>23,354</u>	<u>23,354</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	92,345		92,345
Other Non-Operating Cash Disbursements		23,707	23,707
<b>Total Non-Operating Cash Disbursements</b>	<u>92,345</u>	<u>23,707</u>	<u>116,052</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	15,452	(353)	15,099
Advances-Out	(6,000)		(6,000)
Net Receipts Over/(Under) Disbursements	9,452	(353)	9,099
Fund Cash Balances, January 1	<u>208,927</u>	<u>1,775</u>	<u>210,702</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$218,379</b></u>	<u><b>\$1,422</b></u>	<u><b>\$219,801</b></u>

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

**VILLAGE OF RIO GRANDE  
GALLIA COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Rio Grande, Gallia 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. The Village contracts with the Gallia County Sheriff's department to provide security of persons and property.

The Village's management believes these financial statements present all activities for which the Village is financially accountable, except debt service funds maintained by outside custodians are not included in these financial statements. Assets held by custodians are described in Note 8 to the financial statements.

**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**

Certificates of deposit are valued at cost. The investment in STAROhio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**VILLAGE OF RIO GRANDE  
GALLIA COUNTY**

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

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

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

**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 funds). The Village had the following significant Capital Project Fund:

Capital Projects Fund - This fund was established to accumulate resources for the acquisition, construction, or improvement of fixed assets, including motor vehicles.

**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 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.

**5. Fiduciary Fund (Agency Fund)**

Mayor's Court Fund - This fund was used to account for the activity of the Mayor's 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.

**VILLAGE OF RIO GRANDE  
GALLIA COUNTY**

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

**1. 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 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. The Village had outstanding encumbrances in the year 2000 for the General Fund. There was no other outstanding encumbrances for 2000 nor for 1999.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**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>2000</u>	<u>1999</u>
Demand deposits	\$ 14,573	\$ 1,240
Certificates of deposit	<u>216,479</u>	<u>201,383</u>
Total deposits	<u>231,052</u>	<u>202,623</u>
STAROhio	<u>145,888</u>	<u>141,630</u>
Total investments	<u>145,888</u>	<u>141,630</u>
Total deposits and investments	<u>\$ 376,940</u>	<u>\$ 344,253</u>

**VILLAGE OF RIO GRANDE  
GALLIA COUNTY**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

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

**Investments:** Investments in STAROhio are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 282,434	\$ 327,881	\$ 45,447
Special Revenue	23,100	19,493	(3,607)
Capital Projects	10,000	17,000	7,000
Enterprise	360,604	332,748	(27,856)
Total	\$ 676,138	\$ 697,122	\$ 20,984

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 347,800	\$ 304,762	\$ 43,038
Special Revenue	23,035	20,194	2,841
Capital Projects	20,000	0	20,000
Enterprise	486,875	345,421	141,454
Total	\$ 877,710	\$ 670,377	\$ 207,333

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 271,092	\$ 270,420	\$ (672)
Special Revenue	28,470	20,439	(8,031)
Capital Projects	0	10,000	10,000
Enterprise	350,804	352,414	1,610
Total	\$ 650,366	\$ 653,273	\$ 2,907

**VILLAGE OF RIO GRANDE  
GALLIA COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 351,099	\$ 250,783	\$ 100,316
Special Revenue	38,450	25,036	13,414
Capital Projects	0	0	0
Enterprise	462,301	342,962	119,339
Total	\$ 851,850	\$ 618,781	\$ 233,069

**4. PROPERTY TAX**

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

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Water Mortgage Revenue Bonds - 1972	\$ 28,000	4.75%
Sewer Mortgage Revenue Bonds - 1972	42,000	4.75%
Ohio Water Development Authority Loan	98,475	2.20%
Ohio Public Works Commission Loan	453,039	0.00%
Water Mortgage Revenue Bonds - 1994	252,600	6.75%
General Obligation Note	35,880	5.45%
Total	\$ 909,994	

**VILLAGE OF RIO GRANDE  
GALLIA COUNTY**

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

**5. DEBT (Continued)**

The 1972 Water and Sewer Mortgage Revenue Bonds were issued for sewer and water expansion and maintenance. The Water Bonds will be repaid in annual installments through the year 2008. The Sewer Bonds will be repaid in annual installments through the year 2008. The Village has agreed to set utility rates sufficient to cover the bonds debt service requirements. The bonds are secured by a mortgage on the water and sewer plants.

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant pollution control project that was mandated by the Ohio Environmental Protection Agency. Upon completion of the project, the loan amount was finalized for \$132,278 in 1999. The loan will be repaid in semiannual installments of \$4,106, including interest, over 20 years. This resulted in a reduction of the amount paid in 1999, due to the overpayment in previous years. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) loan was issued in 1994, interest free, for the purpose of making improvements at the water treatment plant. This loan will be repaid in semi-annual installments of \$15,622, over 20 years. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The 1994 Water Mortgage Revenue Bonds were issued for the purpose of improving the Village water system. Monthly payments are made to the trustee in the amount of 1/12 of the scheduled succeeding years principal plus 1/12 of the succeeding years interest, less 1/12 of any excess funds remaining in the Trustees Bond Account at the end of the preceding year. Interest payments are made by the Trustee semi-annually and principal payments are made by the Trustee annually. The Village has agreed to set utility rates sufficient to cover the bonds debt service requirements. The bonds are secured by a mortgage on the water plant.

The General Obligation Note relates to the purchase of additional real property for Village services. Monthly payments will be made in the amount of \$763, including interest, over 5 years.

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

Year ending December 31:	1972 Water Mortgage Revenue Bonds	1972 Sewer Mortgage Revenue Bonds	OPWC Loan	OWDA Loan	1994 Water Mortgage Revenue Bonds	General Obligation Note
2001	\$ 0	\$ 0	\$ 15,622	\$ 4,106	\$ 38,351	\$ 9,159
2002	5,330	6,995	31,244	8,211	38,413	9,159
2003	5,140	6,758	31,244	8,211	38,374	9,159
2004	4,950	7,520	31,244	8,211	38,334	9,159
2005	4,760	7,235	31,244	8,211	38,385	3,816
Subsequent	<u>13,140</u>	<u>21,947</u>	<u>312,441</u>	<u>78,005</u>	<u>153,361</u>	<u>0</u>
Total	<u>\$ 33,320</u>	<u>\$ 50,455</u>	<u>\$ 453,039</u>	<u>\$ 114,955</u>	<u>\$ 345,218</u>	<u>\$ 40,452</u>

In addition to the debt described above, during 1999, the Village paid off a general obligation note that had been issued for the purchase of a truck in 1997.



**VILLAGE OF RIO GRANDE  
GALLIA COUNTY**

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

**6. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The Village has paid all contributions required through December 31, 2000.

**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 coverage to full-time employees through a private carrier.

**8. DEBT SERVICE TRUSTEED FUNDS**

The 1994 Water Mortgage Revenue Bonds trust agreement required the Village to establish a bond account, an issuance account, a construction account, and a debt service reserve account to be maintained by Firststar, a custodian bank. The bond account was established to make the annual principal and interest payments on the bonds from the monthly payments made by the Village to this account. The issuance account was established to pay all costs of issuing these bonds. The construction account was established to pay all project costs related to the improvement of the Village water system. The debt service reserve account was established to maintain, at a minimum, the balance of the succeeding years payment. At December 31, 2000, the construction account still held \$15,000 that had not yet been spent on improvements to the water system. When the \$15,000 is spent, the Village can require the trustee to pay all remaining amounts from the construction account and issuance account into the bond account to be used for principal and interest payments. At December 31, 2000, Firststar held \$16,599 in Village assets in the bond account, \$604 in Village assets in the issuance account, \$16,095 in Village assets in the construction account and \$46,546 in Village assets in the debt service reserve account. These assets, and the related receipts and disbursements, are not reflected in the accompanying financial statements.

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701

Telephone 740-594-3300  
800-441-1389

Facsimile 740-594-2110

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

Village of Rio Grande  
Gallia County  
P.O. Box 343  
Rio Grande, Ohio 45674

To the Village Council:

We have audited the accompanying financial statements of the Village of Rio Grande, Gallia County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 27, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated April 27, 2001.

**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 27, 2001.

Village of Rio Grande  
Gallia 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 the audit committee, management and the 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 27, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**VILLAGE OF RIO GRANDE**

**GALLIA 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 24, 2001**