

**VILLAGE OF LOUDONVILLE  
ASHLAND COUNTY, OHIO**

*Financial Statements*

*(Audited)*

For The Years Ended  
December 31, 1999 and 1998

**SANDRA LAVENGOOD, CLERK/TREASURER**



STATE OF OHIO  
OFFICE OF THE AUDITOR  
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Members of Council and Mayor  
Village of Loudonville  
156 N. Water Street  
Loudonville, Oh 44842

We have reviewed the Independent Auditor's Report of the Village of Loudonville, Ashland County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 1998 to December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Loudonville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

September 22, 2000

**VILLAGE OF LOUDONVILLE  
ASHLAND COUNTY, OHIO**

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## Independent Auditor’s Report

Members of Council and Mayor  
Village of Loudonville  
156 N. Water Street  
Loudonville, Ohio 44842

We have audited the accompanying financial statements of the Village of Loudonville, Ashland County, Ohio as of and for the years ended December 31, 1999 and 1998, as listed in the table of contents. These financial statements are the responsibility of the Village of Loudonville’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 2, the Village of Loudonville prepares its financial statements on the basis of accounting prescribed or permitted by 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 cash balances and fund balances of the Village of Loudonville, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 21, 2000 on our consideration of the Village of Loudonville’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 Village of Loudonville’s management and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.  
August 21, 2000

**VILLAGE OF LOUDONVILLE  
ASHLAND COUNTY, OHIO**

COMBINED STATEMENT OF CASH  
FUND BALANCES - ALL FUND TYPES  
DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>Cash and Cash Equivalents</u>		
Cash and Cash Equivalents	\$ 1,323,465	\$ 1,091,394
Total Cash and Cash Equivalents	<u>\$ 1,323,465</u>	<u>\$ 1,091,394</u>
 <u>Fund Balances</u>		
<u>Governmental Funds:</u>		
General Fund	\$ 144,171	\$ 144,629
Special Revenue Funds	390,221	303,595
Debt Service Funds	22,254	22,254
Capital Projects Funds	<u>80,642</u>	<u>46,017</u>
Total Governmental Funds	<u>637,288</u>	<u>516,495</u>
 <u>Proprietary Fund:</u>		
Enterprise Funds	<u>499,073</u>	<u>405,639</u>
 <u>Fiduciary Funds:</u>		
Expendable Trust Funds	106,160	91,840
Nonexpendable Trust Fund	<u>80,944</u>	<u>77,420</u>
Total Fiduciary Funds	<u>187,104</u>	<u>169,260</u>
Total Fund Balances	<u>\$ 1,323,465</u>	<u>\$ 1,091,394</u>

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

**VILLAGE OF LOUDONVILLE  
ASHLAND COUNTY, OHIO**

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

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash receipts:						
Property and other local taxes	\$ 154,618	\$ 237,563			\$ 1,157,691	\$ 1,549,872
Intergovernmental	189,251	108,875				298,126
Charges for services	19,858	56,504			5,941	82,303
Fines, licenses and permits	10,715	675				11,390
Interest	28,375	548				28,923
Donations	465	6,926		\$ 23,888		31,279
Miscellaneous	3,501	12,293				15,794
Total cash receipts	<u>406,783</u>	<u>423,384</u>	<u>-</u>	<u>23,888</u>	<u>1,163,632</u>	<u>2,017,687</u>
Cash disbursements:						
Current:						
Security of persons and property	37,349	560,083				597,432
Public health services	5,467					5,467
Leisure time activities	39,075					39,075
Community environment	7,299					7,299
Transportation		206,388				206,388
General government	554,641	7,985			35,266	597,892
Capital outlay	46,771	72,176		48,146	738	167,831
Debt service:						
Principal retirement	20,655	10,940	\$ 460,123			491,718
Interest and fiscal charges	31,940	2,768	40,115			74,823
Total cash disbursements	<u>743,197</u>	<u>860,340</u>	<u>500,238</u>	<u>48,146</u>	<u>36,004</u>	<u>2,187,925</u>
Total cash receipts over/(under) cash disbursements	<u>(336,414)</u>	<u>(436,956)</u>	<u>(500,238)</u>	<u>(24,258)</u>	<u>1,127,628</u>	<u>(170,238)</u>
Other financing receipts/(disbursements):						
Proceeds from sale of notes			330,388			330,388
Transfers-in	361,865	523,582	169,850	58,883		1,114,180
Transfers-out	(31,244)				(1,099,135)	(1,130,379)
Other receipts	5,335				66,146	71,481
Other disbursements					(80,319)	(80,319)
Total other financing receipts/(disbursements)	<u>335,956</u>	<u>523,582</u>	<u>500,238</u>	<u>58,883</u>	<u>(1,113,308)</u>	<u>305,351</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(458)	86,626	-	34,625	14,320	135,113
Cash fund balances, January 1, 1999	<u>144,629</u>	<u>303,595</u>	<u>22,254</u>	<u>46,017</u>	<u>91,840</u>	<u>608,335</u>
Cash fund balances, December 31, 1999	<u>\$ 144,171</u>	<u>\$ 390,221</u>	<u>\$ 22,254</u>	<u>\$ 80,642</u>	<u>\$ 106,160</u>	<u>\$ 743,448</u>

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

**VILLAGE OF LOUDONVILLE  
ASHLAND COUNTY, OHIO**

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

	Proprietary Fund Type	Fiduciary Fund Types		Total (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency	
Operating cash receipts:				
Charges for services	\$ 833,935	\$ 3,524		\$ 837,459
Miscellaneous	<u>17,657</u>			<u>17,657</u>
Total operating cash receipts	<u>851,592</u>	<u>3,524</u>	<u>-</u>	<u>855,116</u>
Operating cash disbursements:				
Personal services	234,108			234,108
Contractual services	90,377			90,377
Supplies and materials	154,530			154,530
Capital outlay	<u>225,099</u>			<u>225,099</u>
Total operating cash disbursements	<u>704,114</u>	<u>-</u>	<u>-</u>	<u>704,114</u>
Operating income	<u>147,478</u>	<u>3,524</u>	<u>-</u>	<u>151,002</u>
Nonoperating cash receipts:				
Taxes			\$ 163,575	163,575
Proceeds of sale of notes	17,000			17,000
Other receipts	<u>1,684</u>			<u>1,684</u>
Total nonoperating cash receipts	<u>18,684</u>	<u>-</u>	<u>163,575</u>	<u>182,259</u>
Nonoperating cash disbursements:				
Debt service:				
Principal retirement	68,451			68,451
Interest and fiscal charges	20,476			20,476
Distribution of taxes			163,575	163,575
Total nonoperating cash disbursements	<u>88,927</u>	<u>-</u>	<u>163,575</u>	<u>252,502</u>
Net receipts over disbursements before interfund transfers	77,235	3,524	-	80,759
Transfers-in	83,699			83,699
Transfers-out	<u>(67,500)</u>			<u>(67,500)</u>
Net receipts over disbursements after interfund transfers	93,434	3,524	-	96,958
Cash fund balances, January 1, 1999	<u>405,639</u>	<u>77,420</u>	<u>-</u>	<u>483,059</u>
Cash fund balances, December 31, 1999	<u>\$ 499,073</u>	<u>\$ 80,944</u>	<u>\$ -</u>	<u>\$ 580,017</u>

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

VILLAGE OF LOUDONVILLE  
ASHLAND COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND ENCUMBRANCES COMPARED WITH EXPENDITURE  
AUTHORITY - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

Fund Types	County Certified Unencumbered Cash	Receipts				Disbursements						Variance Favorable (Unfavorable)	
		Budget	Total Estimated Resources	Actual 1999 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	1999 Appropriations	Total	Actual 1999 Disbursements	Encumbrances Outstanding at 12/31/99	Total		
Governmental:													
General	\$ 88,066	\$ 816,508	\$ 773,983	\$ 45,541	\$ 50,350	\$ 815,798	\$ 866,148	\$ 774,441	\$ 13,750	\$ 788,191	\$ 77,957		
Special Revenue	290,130	1,239,663	946,966	(2,567)	12,999	1,203,508	1,216,507	860,340	10,233	870,573	345,934		
Debt Service	22,254	522,492	500,238	-	-	500,238	500,238	500,238	-	500,238	-		
Capital Projects	44,953	111,467	82,771	16,257	1,064	105,937	107,001	48,146	57,489	105,635	1,366		
Proprietary:													
Enterprise	377,160	1,352,296	953,975	(21,161)	35,156	1,006,741	1,041,897	860,541	75,005	935,546	106,351		
Fiduciary:													
Expendable Trust	91,280	1,219,324	1,229,778	101,734	560	1,219,050	1,219,610	1,215,458	940	1,216,398	3,212		
Nonexpendable Trust	77,421	81,921	5,524	(976)	-	-	-	-	-	-	-		
Total (Memorandum Only)	\$ 991,264	\$ 5,343,671	\$ 4,491,235	\$ 138,828	\$ 100,129	\$ 4,851,272	\$ 4,951,401	\$ 4,259,164	\$ 157,417	\$ 4,416,581	\$ 534,820		

**VILLAGE OF LOUDONVILLE  
ASHLAND COUNTY, OHIO**

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

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash receipts:						
Property and other local taxes	\$ 139,391	\$ 213,464		\$ 19,041	\$ 1,147,154	\$ 1,519,050
Intergovernmental	140,621	108,029				248,650
Charges for services	22,857	33,287				56,144
Fines, licenses and permits	15,727					15,727
Interest	28,303	467				28,770
Donations		7,264				7,264
Miscellaneous	12,611	10,721				23,332
Total cash receipts	<u>359,510</u>	<u>373,232</u>	<u>-</u>	<u>19,041</u>	<u>1,147,154</u>	<u>1,898,937</u>
Cash disbursements:						
Current:						
Security of persons and property	38,156	555,419				593,575
Public health services	5,348					5,348
Leisure time activities	35,732					35,732
Community environment	2,918					2,918
Transportation		194,858				194,858
General government	477,841	3,581			31,239	512,661
Capital outlay	47,810	37,872		49,384	3,041	138,107
Debt service:						
Principal retirement	19,170	10,282	\$ 525,808			555,260
Interest and fiscal charges	33,425	3,419	43,312			80,156
Total cash disbursements	<u>660,400</u>	<u>805,431</u>	<u>569,120</u>	<u>49,384</u>	<u>34,280</u>	<u>2,118,615</u>
Total cash receipts over/(under) cash disbursements	<u>(300,890)</u>	<u>(432,199)</u>	<u>(569,120)</u>	<u>(30,343)</u>	<u>1,112,874</u>	<u>(219,678)</u>
Other financing receipts/(disbursements):						
Proceeds from sale of notes			379,503			379,503
Other disbursements					(18,365)	(18,365)
Other receipts	46,079				5,232	51,311
Transfers-in	373,400	466,720	189,617	76,360		1,106,097
Transfers-out	(22,760)				(1,059,492)	(1,082,252)
Total other financing receipts/(disbursements)	<u>396,719</u>	<u>466,720</u>	<u>569,120</u>	<u>76,360</u>	<u>(1,072,625)</u>	<u>436,294</u>
Excess of cash receipts and other financing receipts over cash disbursements and other disbursements	95,829	34,521	-	46,017	40,249	216,616
Cash fund balances, January 1, 1998	<u>48,800</u>	<u>269,074</u>	<u>22,254</u>	<u>-</u>	<u>51,591</u>	<u>391,719</u>
Cash fund balances, December 31, 1998	<u>\$ 144,629</u>	<u>\$ 303,595</u>	<u>\$ 22,254</u>	<u>\$ 46,017</u>	<u>\$ 91,840</u>	<u>\$ 608,335</u>

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

**VILLAGE OF LOUDONVILLE  
ASHLAND COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH  
FUND BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1998

	Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Nonexpendable Trust	
Operating cash receipts:			
Charges for services	\$ 751,152	\$ 3,560	\$ 754,712
Miscellaneous	5,987		5,987
Total operating cash receipts	<u>757,139</u>	<u>3,560</u>	<u>760,699</u>
Operating cash disbursements:			
Personal services	222,550		222,550
Contractual services	86,563		86,563
Supplies and materials	133,768		133,768
Capital Outlay	209,387		209,387
Total operating cash disbursements	<u>652,268</u>	<u>-</u>	<u>652,268</u>
Operating income	<u>104,871</u>	<u>3,560</u>	<u>108,431</u>
Nonoperating cash receipts:			
Proceeds of sale of notes	17,000		17,000
Other receipts	648		648
Total nonoperating cash receipts	<u>17,648</u>	<u>-</u>	<u>17,648</u>
Nonoperating cash disbursements:			
Debt service:			
Principal retirement	115,567		115,567
Interest and fiscal charges	27,674		27,674
Other disbursements	479		479
Total nonoperating cash disbursements	<u>143,720</u>	<u>-</u>	<u>143,720</u>
Net receipts over/(under) disbursements before interfund transfers	(21,201)	3,560	(17,641)
Transfers in	74,000		74,000
Transfers out	<u>(97,845)</u>		<u>(97,845)</u>
Net receipts over/(under) disbursements after interfund transfers	(45,046)	3,560	(41,486)
Cash fund balances, January 1, 1998	<u>450,685</u>	<u>73,860</u>	<u>524,545</u>
Cash fund balances, December 31, 1998	<u>\$ 405,639</u>	<u>\$ 77,420</u>	<u>\$ 483,059</u>

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

VILLAGE OF LOUDONVILLE  
ASHLAND COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND ENCUMBRANCES COMPARED WITH EXPENDITURE  
AUTHORITY - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1998

Fund Types	Receipts				Disbursements				Variance Favorable (Unfavorable)			
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 1998 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	1998 Appropriations	Total		Actual 1998 Disbursements	Encumbrances Outstanding at 12/31/98	Total
Governmental:												
General	\$ 31,245	\$ 723,559	\$ 754,804	\$ 778,989	\$ 55,430	\$ 25,878	\$ 758,746	\$ 784,624	\$ 683,160	\$ 50,350	\$ 733,510	\$ 51,114
Special Revenue	248,103	1,249,662	1,497,765	839,952	(409,710)	11,676	906,477	918,153	805,431	12,999	818,430	99,723
Debt Service	22,255	616,278	638,533	569,120	(47,158)	-	574,221	574,221	569,120	-	569,120	5,101
Capital Projects	-	113,040	113,040	95,401	(17,639)	-	83,600	83,600	49,384	1,064	50,448	33,152
Proprietary:												
Enterprise	385,173	1,082,626	1,467,799	848,787	(233,839)	65,512	1,003,063	1,068,575	893,833	35,156	928,989	139,586
Fiduciary:												
Expendable Trust	51,019	1,118,962	1,169,981	1,152,386	33,424	572	1,132,462	1,133,034	1,112,137	560	1,112,697	20,337
Nonexpendable Trust	73,860	3,000	76,860	3,560	560	-	7,000	7,000	-	-	-	7,000
Total (Memorandum Only)	\$ 811,655	\$ 4,907,127	\$ 5,718,782	\$ 4,288,195	\$ (618,932)	\$ 103,638	\$ 4,465,569	\$ 4,569,207	\$ 4,113,065	\$ 100,129	\$ 4,213,194	\$ 356,013

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

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 1 - DESCRIPTION OF THE ENTITY**

The Village of Loudonville (“the Village”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Village operates under a council-mayor form of government and provides the following services: emergency medical, fire and police protection, water and sewer utility services, street maintenance and repair, planning and zoning, parks and recreation, as well as other services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village officials have direct operating control.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The most significant of the Village’s accounting policies are described below.

**A. BASIS OF PRESENTATION - FUND ACCOUNTING**

The accounts of the Village are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Village.

**GOVERNMENTAL FUNDS**

**General Fund**

The general fund is used to account for all activities of the Village not required to be included in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds**

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The Village had the following significant special revenue funds:

*Street Construction, Maintenance and Repair Fund* - This fund receives property tax revenue used to maintain streets within the Village.

*Police Levy Fund* - This fund receives property tax revenue used to provide safety and enforce the Village's rules and regulations.

Debt Service Funds

These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The Village had the following significant debt service funds:

*Industrial Park Fund* - This fund is used to retire the Village bonds issued to build the Village's industrial park.

*Washington Street Building* - This fund is used to retire debt related to purchasing the Village's Washington Street Building.

*Sewer Sinking Fund* - This fund is used to retire debt related to the Village's sewer system.

Capital Projects Funds

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The Village had the following significant capital projects funds:

*Street Improvement Fund* - This fund receives transfers from the Village Income Tax fund for various Village street improvements.

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

PROPRIETARY FUND

Enterprise Funds

The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the Village is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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.

Fiduciary Funds

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

*Income Tax Fund* - (Agency Fund) - This fund receives monies from collections for income taxes on behalf of the Village of Perrysville. Monies received are remitted directly to the Village of Perrysville. The Village contracts with the Village of Perrysville to perform these services.

*Income Tax Fund* - (expendable trust) - This fund receives monies from collections on the Village's one and three quarters (1.75%) percent income tax imposed. Funds collected are used in both general operations of the Village and for capital expenditures and maintenance and repairs as required.

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**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. BUDGETARY PROCESS**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the item level within each fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

*Tax Budget:*

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds are legally required to be budgeted. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Estimated Resources:*

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determines that receipts collected will be greater than or less than the prior estimates, and the Budget Commission finds the revised estimates to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

*Appropriations:*

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The Village legally adopted several supplemental appropriations during the year.

*Encumbrances:*

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. CASH AND CASH EQUIVALENTS**

For reporting purposes, the Village considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest earned on investments held by the treasurer is credited to the General Fund and allocated amongst funds as required. Interest income earned and received by the Village totaled \$28,923 and \$28,770 for the years ended December 31, 1999 and 1998, respectively.

**E. PROPERTY, PLANT AND EQUIPMENT**

Fixed assets are not capitalized in any of the Village's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

**F. INTERGOVERNMENTAL REVENUES**

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village's cash basis method of accounting.

**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 basis of accounting used by the Village.

**H. INTERFUND TRANSACTIONS**

During the course of normal operations, the Village had transactions between funds. The most significant include:

Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers.

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

I. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned “Total (Memorandum Only)” to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

**NOTE 3 - COMPLIANCE**

The following fund had appropriations in excess of estimated revenues and unencumbered cash for the year ended December 31, 1998 in noncompliance with Ohio Revised Code Section 5705.39.

<u>Fund</u>	<u>Unencumbered Cash Plus Estimated Revenues</u>	<u>Appropriations</u>	<u>Excess</u>
GENERAL FUND:	\$754,804	\$758,746	\$3,942

**NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

Moneys held by the Village are classified by State statute into two categories. Active moneys are public moneys determined to be necessary to meet current demand upon the Village treasury. Active moneys must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the Village’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Moneys held by the Village which are not considered active are classified as inactive. Inactive moneys may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

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**NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)**

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio).

The Village may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons;
3. Obligations to the Village.

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
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**NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)**

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

DEPOSITS

For the years ended December 31, 1999 and 1998, the carrying amount of the Village's deposits, were \$1,323,465 and \$1,091,394, respectively, and the bank balances were \$1,388,734 and \$1,098,207, respectively. Of the bank balances:

1. \$258,000 and \$200,000 was covered by federal depository insurance for 1999 and 1998, respectively.
2. \$1,130,734 and \$898,207 for 1999 and 1998, respectively, was covered by collateral held by third party trustees pursuant to Section 135.181, Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 - INTERFUND TRANSACTIONS**

The following is a summarized breakdown of the Village's operating transfers for 1999:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>GENERAL FUND</u>	<u>\$ 361,865</u>	<u>\$ 31,244</u>
<u>SPECIAL REVENUE FUNDS:</u>		
EMS Levy	84,300	
Police Levy	283,015	
Street Construction Maintenance & Repair	<u>156,267</u>	
Total Special Revenue Funds	<u>523,582</u>	
<u>DEBT SERVICE FUNDS:</u>		
Bond Retirement	32,350	
Industrial Park	35,000	
Washington Street	35,000	
Sewer Sinking	<u>67,500</u>	
Total Debt Service Funds	<u>169,850</u>	
<u>CAPITAL PROJECTS FUND:</u>		
Street Improvement	30,000	
Central Park Fountain	13,196	
Cemetery Storm Sewers	8,937	
Park Lighting	<u>6,750</u>	
Total Capital Projects Funds	<u>58,883</u>	
<u>EXPENDABLE TRUST FUND:</u>		
Income Tax Fund		<u>1,099,135</u>
<u>ENTERPRISE FUNDS:</u>		
Sanitary Sewer		67,500
Swimming Pool	48,500	
Theater	6,892	
Cemetery	<u>28,307</u>	
Total Enterprise Funds	<u>83,699</u>	<u>67,500</u>
Totals	<u>\$1,197,879</u>	<u>\$1,197,879</u>

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

The following is a summarized breakdown of the Village's operating transfers for 1998:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>GENERAL FUND</u>	<u>\$ 373,400</u>	<u>\$ 22,760</u>
<u>SPECIAL REVENUE FUNDS:</u>		
Police Levy	284,920	
Fire Levy	48,000	
Street Construction Maintenance & Repair	<u>133,800</u>	
Total Special Revenue Funds	<u>466,720</u>	
<u>DEBT SERVICE FUNDS:</u>		
Bond Retirement	33,662	
Industrial Park	40,000	
Washington Street	18,110	
Sewer Sinking	<u>97,845</u>	
Total Debt Service Funds	<u>189,617</u>	
<u>CAPITAL PROJECTS FUNDS:</u>		
Central Park Foundation	22,760	
Street Improvement	<u>53,600</u>	
Total Capital Projects Funds	76,360	
<u>EXPENDABLE TRUST FUND:</u>		
Income Tax Fund		<u>1,059,492</u>
<u>ENTERPRISE FUNDS:</u>		
Sanitary Sewer	50,500	97,845
Swimming Pool	<u>23,500</u>	
Total Enterprise Funds	<u>74,000</u>	<u>97,845</u>
Totals	<u>\$1,180,097</u>	<u>\$1,180,097</u>

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 6 - DEBT OBLIGATIONS**

At December 31, 1999, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 1999</u>
1997 Dump Truck Bonds for a dump truck, due in quarterly payments of various amounts through October 24, 2002, bearing interest at 6.25%.	\$ 37,201
1999 Building Acquisition Bond Anticipation Notes for a building due in one annual payment on September 22, 2000, bearing interest at 5.25%.	139,075
1999 Street Improvement Note in anticipation of the issuance of bonds for street improvement, due in one annual payment on June 14, 2000, bearing interest at 5.25%.	191,313
1996 Rural, Economic and Community Development Services (RECDS) Loan for sanitary sewer replacement, due in annual payments on April 1 through 2013 at a rate of 4.88%	144,380
1993 Wetlands Restoration Improvement Bonds for constructing wetlands restoration improvements, due in varying amounts through 2003, bearing interest at 5.25%.	115,000
1992 OWDA loan for waterworks system, due in semi-annual installments of \$2,394 through January 1, 2007, bearing interest at 7.54%.	26,667

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 6 - DEBT OBLIGATIONS - (Continued)**

<u>Description</u>	<u>Balance at December 31, 1999</u>
1992 OWDA loan for waterworks system, due in semi-annual installments of \$25,903 through July 1, 2011, bearing interest at 7.77%.	364,613
1990 OWDA loan for waterworks system, due in semi-annual installments of \$17,770 through January 1, 2005, bearing interest at 7.51%.	155,258
1977 OWDA loan for waterworks system, due in semi-annual installments of \$1,770 through January 1, 2001, bearing interest at 6.25%.	4,910
1977 OWDA loan for waterworks system, due in semi-annual installments of \$7,345 through January 1, 2002, bearing interest at 6.50%.	32,929
1997 Installment Note for the purchase of a Vactor/Truck, due in annual installments of \$32,665.30 through December 22, 2002, bearing interest at 5.94%.	48,595
1999 Recreation Equipment Bond Anticipation Note, due in one annual payment on April 2, 2000, bearing interest at 5.25%.	<u>17,000</u>
Total debt obligations at December 31, 1999	<u>\$1,276,941</u>

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 6 - DEBT OBLIGATIONS - (Continued)**

Transactions for the year ended December 31, 1999 are summarized as follows:

<u>Description</u>	<u>Balance at December 31, 1999</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 1999</u>
Note - Street	\$ 214,503	\$191,313	\$214,503	\$ 191,313
Note - RECDS	200,000		55,620	144,380
Note - OWDA 1992	29,250		2,583	26,667
Note - OWDA 1992	382,685		18,072	364,613
Note - OWDA 1990	177,470		22,212	155,258
Note - OWDA 1977	7,951		3,041	4,910
Note - OWDA 1977	44,712		11,783	32,929
Note - Building	165,000	139,075	165,000	139,075
Note - Vactor/Truck	63,010		14,415	48,595
Note - Recreation Equipment	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>
Total Notes	<u>1,301,581</u>	<u>347,388</u>	<u>524,229</u>	<u>1,124,740</u>
Bonds - Wetlands	140,000		25,000	115,000
Bonds - Dump Truck	<u>48,141</u>		<u>10,940</u>	<u>37,201</u>
Total Bonds	<u>188,141</u>		<u>35,940</u>	<u>152,201</u>
Total	<u>\$1,489,722</u>	<u>\$347,388</u>	<u>\$560,169</u>	<u>\$1,276,941</u>

The principal and interest requirements to retire the debt obligations outstanding at December 31, 1999, are as follows:

OWDA LOANS

<u>Year Ending December 31,</u>	<u>1992</u>		<u>1992</u>		<u>1990</u>		<u>1977</u>		<u>1977</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2000	\$ 2,778	\$2,011	\$ 19,476	\$ 28,330	\$ 23,880	\$11,660	\$3,232	\$306	\$12,549	\$2,141
2001	2,986	1,803	20,990	26,817	25,673	9,867	1,678	93	13,365	1,325
2002	3,213	1,576	22,620	25,186	27,601	7,938			7,015	330
2003	3,455	1,334	24,378	23,428	29,674	5,865				
2004	3,715	1,073	26,272	21,534	31,903	3,637				
2005 - 2009	10,520	1,453	165,348	73,684	16,527	1,244				
2010 - 2013			<u>85,529</u>	<u>10,094</u>						
TOTALS	<u>\$26,667</u>	<u>\$9,250</u>	<u>\$364,613</u>	<u>\$209,073</u>	<u>\$155,258</u>	<u>\$40,211</u>	<u>\$4,910</u>	<u>\$399</u>	<u>\$32,929</u>	<u>\$3,796</u>

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 6 - DEBT OBLIGATIONS - (Continued)**

<u>Year Ending</u> <u>December 31,</u>	NOTES							
	Building		Street		RECDs		Vactor/Truck	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2000	\$139,075	\$7,301	\$191,313	\$10,044	\$ 8,440	\$ 7,039	\$15,273	\$2,886
2001					8,852	6,627	16,180	1,979
2002					9,283	6,196	17,142	1,018
2003					9,736	5,743		
2004					10,211	5,268		
2005 - 2008					58,612	18,783		
2009 - 2013					39,246	5,131		
<b>TOTALS</b>	<u>\$139,075</u>	<u>\$7,301</u>	<u>\$191,313</u>	<u>\$10,044</u>	<u>\$144,380</u>	<u>\$54,787</u>	<u>\$48,595</u>	<u>\$5,883</u>

<u>Year Ending</u> <u>December 31,</u>	BONDS			
	Wetland		Dump Truck	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2000	\$ 25,000	\$ 6,038	\$11,640	\$ 685
2001	30,000	4,725	12,385	437
2002	30,000	3,150	13,176	173
2003	30,000	1,575		
<b>TOTALS</b>	<u>\$115,000</u>	<u>\$15,488</u>	<u>\$37,201</u>	<u>\$1,295</u>

At December 31, 1998, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at</u> <u>December 31, 1998</u>
1997 Dump Truck Bonds for a dump truck, due in quarterly payments of various amounts through October 24, 2002, bearing interest at 6.25%.	\$ 48,141
1998 Building Acquisition Bond Anticipation Notes for a building due in one annual payment on September 22, 1999, bearing interest at 5.50%.	165,000

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**NOTE 6 - DEBT OBLIGATIONS - (Continued)**

<u>Description</u>	<u>Balance at December 31, 1998</u>
1998 Street Improvement Note in anticipation of the issuance of bonds for street improvement, due in one annual payment on June 14, 1999, bearing interest at 5.50%.	214,503
1996 Rural, Economic and Community Development Services (RECDS) Loan for sanitary sewer replacement, due in annual payments on April 1 through 2013 at a rate of 4.88%	200,000
1993 Wetlands Restoration Improvement Bonds for constructing wetlands restoration improvements, due in varying amounts through 2003, bearing interest at 5.25%.	140,000
1992 OWDA loan for waterworks system, due in semi-annual installments of \$2,394 through January 1, 2007, bearing interest at 7.54%.	29,250
1992 OWDA loan for waterworks system, due in semi-annual installments of \$25,903 through July 1, 2011, bearing interest at 7.77%.	382,684
1990 OWDA loan for waterworks system, due in semi-annual installments of \$17,770 through January 1, 2005, bearing interest at 7.51%.	177,470
1977 OWDA loan for waterworks system, due in semi-annual installments of \$1,770 through January 1, 2001, bearing interest at 6.25%.	7,951
1977 OWDA loan for waterworks system, due in semi-annual installments of \$7,345 through January 1, 2002, bearing interest at 6.50%.	44,712
1997 Installment Note for the purchase of a Vactor/Truck, due in annual installments of \$32,665.30 through December 22, 2002, bearing interest at 5.94%.	63,010

**VILLAGE OF LOUDONVILLE**  
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**NOTE 6 - DEBT OBLIGATIONS - (Continued)**

<u>Description</u>	<u>Balance at December 31, 1998</u>
1998 Recreation Equipment Bond Anticipation Note, due in one annual payment on April 2, 1999, bearing interest at 5.25%.	<u>17,000</u>
Total debt obligations at December 31, 1998	<u><u>\$1,489,722</u></u>

Transactions for the year ended December 31, 1998 are summarized as follows:

<u>Description</u>	<u>Balance at December 31, 1997</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 1998</u>
Note - Mower	\$ 6,168		\$ 6,168	
Note - Street	241,808	\$214,503	241,808	\$ 214,503
Note - RECDS	284,000		84,000	200,000
Note - OWDA 1992	31,651		2,401	29,250
Note - OWDA 1992	399,454		16,769	382,685
Note - OWDA 1990	198,129		20,659	177,470
Note - OWDA 1977	10,814		2,863	7,951
Note - OWDA 1977	55,776		11,064	44,712
Note - Building	175,000	165,000	175,000	165,000
Note - Vactor/Truck	137,823		74,813	63,010
Note - Recreation Equip.	<u>          </u>	<u>17,000</u>	<u>          </u>	<u>17,000</u>
Total Notes	<u>1,540,623</u>	<u>396,503</u>	<u>635,545</u>	<u>1,301,581</u>
Bonds - Wetlands	165,000		25,000	140,000
Bonds - Dump Truck	<u>58,423</u>	<u>          </u>	<u>10,282</u>	<u>48,141</u>
Total Bonds	<u>223,423</u>	<u>          </u>	<u>35,282</u>	<u>188,141</u>
Total	<u><u>\$1,764,046</u></u>	<u><u>\$396,503</u></u>	<u><u>\$670,827</u></u>	<u><u>\$1,489,722</u></u>

**VILLAGE OF LOUDONVILLE**  
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**NOTE 6 - DEBT OBLIGATIONS - (Continued)**

The principal and interest requirements to retire the debt obligations outstanding at December 31, 1998, are as follows:

Year Ending December 31,	OWDA LOANS									
	1992		1992		1990		1977		1977	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1999	\$ 2,583	\$ 2,206	\$ 18,072	\$ 29,734	\$ 22,212	\$ 13,328	\$ 3,042	\$ 497	\$ 11,783	\$ 2,907
2000	2,777	2,011	19,476	28,330	23,880	11,660	3,232	306	12,549	2,141
2001	2,987	1,801	20,990	26,816	25,673	9,867	1,677	93	13,365	1,325
2002	3,213	1,576	22,620	25,186	27,601	7,938			7,015	330
2003	3,455	1,334	24,378	23,428	29,674	5,865				
2004 - 2008	14,235	2,526	153,426	85,606	48,430	4,881				
2009 - 2013	_____	_____	<u>123,723</u>	<u>19,706</u>	_____	_____	_____	_____	_____	_____
<b>TOTALS</b>	<u>\$29,250</u>	<u>\$11,454</u>	<u>\$382,685</u>	<u>\$238,806</u>	<u>\$177,470</u>	<u>\$53,539</u>	<u>\$7,951</u>	<u>\$896</u>	<u>\$44,712</u>	<u>\$6,703</u>

Year Ending December 31,	NOTES									
	Building		Street		RECDs		Vactor/Truck		Recreation	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1999	\$165,000	\$9,075	\$214,503	\$11,798	\$ 5,729	\$ 9,750	\$14,415	\$3,743	\$17,000	\$893
2000					6,008	9,471	15,273	2,886		
2001					6,301	9,178	16,180	1,979		
2002					6,608	8,871	17,142	1,018		
2003					6,931	8,548				
2004 - 2008					39,783	37,612				
2009 - 2013					52,559	24,836				
2014 - 2018					65,894	11,501				
2019 - 2023	_____	_____	_____	_____	<u>10,187</u>	<u>4,655</u>	_____	_____	_____	_____
<b>TOTALS</b>	<u>\$165,000</u>	<u>\$9,075</u>	<u>\$214,503</u>	<u>\$11,798</u>	<u>\$200,000</u>	<u>\$124,422</u>	<u>\$63,010</u>	<u>\$9,626</u>	<u>\$17,000</u>	<u>\$893</u>

**VILLAGE OF LOUDONVILLE  
ASHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 6 - DEBT OBLIGATIONS - (Continued)**

Year Ending <u>December 31,</u>	BONDS			
	Wetland		Dump Truck	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
1999	\$ 25,000	\$ 7,350	\$ 10,940	\$ 919
2000	25,000	4,725	11,640	685
2001	30,000	3,150	12,385	437
2002	30,000	1,575	13,176	173
2003	<u>30,000</u>	<u>1,575</u>	_____	_____
TOTALS	<u>\$140,000</u>	<u>\$18,375</u>	<u>\$ 48,141</u>	<u>\$2,214</u>

**NOTE 7 - PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village. 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 annually. However, if the property owner elects, they may make semiannual payments.

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.

**NOTE 8 - LOCAL INCOME TAX**

This locally levied tax of 1.75% applies to gross salaries, wages and other personal service compensation earned by residents both in and out of the Village and to earnings of nonresidents (except certain transients) earned in the Village. It also applies to the net income of business organizations located within the Village. Tax receipts are credited to the Village and amounted to \$1,157,691 and \$1,147,154 in 1999 and 1998, respectively.

**VILLAGE OF LOUDONVILLE**  
**ASHLAND COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 9 - RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other 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 post-retirement 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, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% to their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. As of December 31, 1999, the Village's unpaid portion for PFDPF and PERS was \$11,916 and \$7,747, respectively.

**NOTE 10 - RISK MANAGEMENT**

The Village was a member of the Ohio Municipal League Joint Self Insurance Pool through November 1999 and the Ohio Government Risk Management Plan thereafter. The following risks are covered: law enforcement, EMS, errors and omissions, general liability, property, inland marine, automobile liability, automobile physical damage, excess liability and surplus.

The Village also provides health insurance, dental and vision to its employees through a private carrier.

**NOTE 11 - CONTINGENT LIABILITY**

LITIGATION

The Village is currently not involved in any litigation.

# TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

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## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of Council and the Mayor  
Village of Loudonville  
156 N. Water Street  
Loudonville, Ohio 44842

We have audited the financial statements of the Village of Loudonville as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 21, 2000. We conducted our audit in accordance with generally accepted auditing standards and 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 of Loudonville’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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 1998-LV-001. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Village in a separate letter dated August 21, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Loudonville'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 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 we have reported to the management of the Village in a separate letter dated August 21, 2000.

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

Trimble, Julian & Grube, Inc.  
August 21, 2000

**VILLAGE OF LOUDENVILLE  
ASHLAND COUNTY, OHIO  
DECEMBER 31, 1999 AND 1998**

**SCHEDULE OF FINDINGS**

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

Finding Number	1998-LV-001
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Ohio Revised Code Section 5705.39 in part requires that the total appropriation from each fund should not exceed total estimated revenues plus available balances.

It was noted during the audit that during the year ended December 31, 1998, the total appropriations exceeded the total estimated revenues plus available balances in the following fund:

<u>Fund</u>	<u>Unencumbered Cash Plus Estimated Revenues</u>	<u>Appropriations</u>	<u>Excess</u>
GENERAL FUND:	\$754,804	\$758,746	\$3,942

With appropriations exceeding revenues plus available balances, the Village is spending monies that are not lawfully appropriated for those purposes and thus cause a fund deficit.

We recommend that the Village comply with the Ohio Revised Code by keeping more accurate appropriations versus estimated revenue plus available balances records. If it is determined that estimated revenues plus available balances will be greater than initially anticipated, the Village should amend its official estimate in order to provide for any additional appropriations; however, appropriations should not exceed estimated revenues plus available balances.



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Facsimile 614-728-7398

Members of Council and Mayor  
Village of Loudonville  
156 N. Water Street  
Loudonville, Oh 44842

We have reviewed the Independent Auditor's Report of the Village of Loudonville, Ashland County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 1998 to December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Loudonville is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

September 22, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF LOUDONVILLE**

**ASHLAND 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  
NOVEMBER 21, 2000**