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Village of Peebles

Adams County

Regular Audit

January 1 , 1998 Through December 31, 1999

Fiscal Years Audited Under GAGAS: 1998 & 1999

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Village of Peebles

Adams County

Regular Audit

January 1 , 1998 Through December 31, 1999

Fiscal Years Audited Under GAGAS: 1998 & 1999

**MICHAEL A. BALESTRA, CPA, INC.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**528 SOUTH WEST STREET, P.O. BOX 687**  
**PIKETON, OHIO 45661**

VILLAGE OF PEEBLES

ADAMS COUNTY

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STATE OF OHIO  
OFFICE OF THE AUDITOR

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Village Council  
Village of Peebles  
35 South Nixon  
Peebles, Ohio 45660

We have reviewed the Independent Auditor's Report of the Village of Peebles, Adams County, prepared by Michael Balestra, CPA, Inc., for the audit period January 1, 1998 through 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 Peebles is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro", written over a horizontal line.

JIM PETRO  
Auditor of State

May 26, 2000

**MICHAEL A. BALESTRA, CPA, INC.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**528 SOUTH WEST STREET, P.O. BOX 687**

**PIKETON, OHIO 45661**

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditors' Report

Village Council  
Village of Peebles  
34 South Nixon  
P.O. Box 430  
Peebles, Ohio 45660

We have audited the accompanying financial statements of the Village of Peebles, Adams County, as of and for the years ended December 31, 1998 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 of Peebles prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Peebles, as of December 31, 1998 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 May 5, 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.

*Michael A. Balestra, CPA, INC.*  
Michael A. Balestra, CPA, INC.

May 5, 2000

Village of Peebles  
Adams 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

	General	Special Revenue	Capital Projects	Total (Memorandum Only)
<b>Cash Receipts</b>				
Local Taxes	\$133,365	\$36,729	\$0	\$170,094
Intergovernmental	\$77,597	\$77,891	\$134,506	\$289,994
Charges for Services	\$32,436	\$16,800	\$0	\$49,236
Fines, Licenses, and Permits	\$29,673	\$0	\$0	\$29,673
Miscellaneous	\$17,069	\$13,994	\$0	\$31,063
<b>Total Cash Receipts</b>	<b>\$290,140</b>	<b>\$145,414</b>	<b>\$134,506</b>	<b>\$570,060</b>
<b>Cash Disbursements</b>				
Current				
Security of Persons and Property	\$146,880	\$66,767	\$0	\$213,647
Leisure Time Activities	\$57,790	\$438	\$0	\$58,228
Basic Utility Services	\$0	\$2,450	\$0	\$2,450
Transportation	\$0	\$64,302	\$0	\$64,302
General Government	\$78,089	\$4,353	\$0	\$82,442
Capital Outlay	\$0	\$31,750	\$134,506	\$166,256
<b>Total Cash Disbursements</b>	<b>\$282,759</b>	<b>\$170,060</b>	<b>\$134,506</b>	<b>\$587,325</b>
<b>Total Receipts Over/Under Disbursements</b>	<b>\$7,381</b>	<b>(\$24,646)</b>	<b>\$0</b>	<b>(\$17,265)</b>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	\$6,000	\$12,448	\$0	\$18,448
Transfers-Out	(\$10,000)	\$0	\$0	(\$10,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(\$4,000)</b>	<b>\$12,448</b>	<b>\$0</b>	<b>\$8,448</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>\$3,381</b>	<b>(\$12,198)</b>	<b>\$0</b>	<b>(\$8,817)</b>
<b>Fund Cash Balances, January 1, 1999</b>	<b>\$86,803</b>	<b>\$63,347</b>	<b>\$0</b>	<b>\$150,150</b>
<b>Fund Cash Balances, December 31, 1999</b>	<b>\$90,184</b>	<b>\$51,149</b>	<b>\$0</b>	<b>\$141,333</b>

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

Village of Peebles  
Adams County

Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund  
Cash Balances - Proprietary Fund Type and Similar Fiduciary Fund  
For the Year Ended December 31, 1999

	<u>Enterprise</u>	<u>Agency</u>	<u>Total (Memorandum Only)</u>
Operating Cash Receipts			
Charges for Services	\$573,934	\$0	\$573,934
Miscellaneous	<u>\$31,192</u>	<u>\$0</u>	<u>\$31,192</u>
Total Operating Cash Receipts	\$605,126	\$0	\$605,126
Operating Cash Disbursements			
Personal Services	\$186,707	\$0	\$186,707
Contractual Services	\$101,642	\$0	\$101,642
Supplies & Materials	<u>\$242,094</u>	<u>\$0</u>	<u>\$242,094</u>
Total Cash Disbursements	<u>\$530,443</u>	<u>\$0</u>	<u>\$530,443</u>
Operating Income/(Loss)	\$74,683	\$0	\$74,683
Non-Operating Cash Receipts			
Other Non-Operating Revenues	<u>\$0</u>	<u>\$38,862</u>	<u>\$38,862</u>
Total Non-Operating Cash Receipts	\$0	\$38,862	\$38,862
Non-Operating Cash Disbursements			
Debt Service	\$67,834	\$0	\$67,834
Other Non-Operating Cash Disbursements	<u>\$0</u>	<u>\$28,833</u>	<u>\$28,833</u>
Total Non-Operating Cash Disbursements	<u>\$67,834</u>	<u>\$28,833</u>	<u>\$96,667</u>
Excess of Revenues Over/(Under) Expenses Before Interfund Transfers and Advances	\$6,849	\$10,029	\$16,878
Transfers-In	\$76,900	\$0	\$76,900
Transfers-Out	<u>(\$85,348)</u>	<u>\$0</u>	<u>(\$85,348)</u>
Net Receipts Over/(Under) Disbursements	(\$1,599)	\$10,029	\$8,430
Fund Cash Balances, January 1, 1999	<u>\$211,309</u>	<u>\$354</u>	<u>\$211,663</u>
Fund Cash Balances, December 31, 1999	<u>\$209,710</u>	<u>\$10,383</u>	<u>\$220,093</u>

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

Village of Peebles  
Adams County

Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund  
Cash Balances - All Governmental Fund Types  
For the Year Ended December 31, 1998

	General	Special Revenue	Capital Projects	Total (Memorandum Only)
<b>Cash Receipts</b>				
Local Taxes	\$100,993	\$38,092	\$0	\$139,085
Intergovernmental	\$98,487	\$48,577	\$122,797	\$269,861
Charges for Services	\$31,076	\$16,800	\$0	\$47,876
Fines, Licenses, and Permits	\$33,383	\$0	\$0	\$33,383
Miscellaneous	\$53,612	\$9,866	\$0	\$63,478
<b>Total Cash Receipts</b>	<b>\$317,551</b>	<b>\$113,335</b>	<b>\$122,797</b>	<b>\$553,683</b>
<b>Cash Disbursements</b>				
<b>Current</b>				
Security of Persons and Property	\$206,263	\$4,352	\$0	\$210,615
Public Health Services	\$0	\$59,114	\$0	\$59,114
Leisure Time Activities	\$16,338	\$125	\$0	\$16,463
Basic Utility Services	\$0	\$15,665	\$0	\$15,665
Transportation	\$0	\$39,461	\$0	\$39,461
General Government	\$90,558	\$4,234	\$0	\$94,790
Capital Outlay	\$0	\$0	\$122,797	\$122,797
<b>Total Cash Disbursements</b>	<b>\$313,157</b>	<b>\$122,951</b>	<b>\$122,797</b>	<b>\$558,905</b>
<b>Total Receipts Over/Under Disbursements</b>	<b>\$4,394</b>	<b>(\$9,616)</b>	<b>\$0</b>	<b>(\$5,222)</b>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	\$6,000	\$2,448	\$0	\$8,448
Other Uses	\$0	(\$3,826)	\$0	(\$3,826)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>\$6,000</b>	<b>(\$1,378)</b>	<b>\$0</b>	<b>\$4,622</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>\$10,394</b>	<b>(\$10,994)</b>	<b>\$0</b>	<b>(\$600)</b>
<b>Fund Cash Balances, January 1, 1998</b>	<b>\$76,409</b>	<b>\$74,341</b>	<b>\$0</b>	<b>\$150,750</b>
<b>Fund Cash Balances, December 31, 1998</b>	<b>\$86,803</b>	<b>\$63,347</b>	<b>\$0</b>	<b>\$150,150</b>

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

Village of Peebles  
Adams County

Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund  
Cash Balances - Proprietary Fund Type and Similar Fiduciary Fund  
For the Year Ended December 31, 1998

	<u>Enterprise</u>	<u>Agency</u>	<u>Total (Memorandum Only)</u>
Operating Cash Receipts			
Charges for Services	\$567,764	\$0	\$567,764
Miscellaneous	<u>\$17,721</u>	<u>\$0</u>	<u>\$17,721</u>
Total Operating Cash Receipts	\$585,485	\$0	\$585,485
Operating Cash Disbursements			
Personal Services	\$152,469	\$0	\$152,469
Contractual Services	\$99,193	\$0	\$99,193
Supplies & Materials	<u>\$269,269</u>	<u>\$0</u>	<u>\$269,269</u>
Total Cash Disbursements	<u>\$520,931</u>	<u>\$0</u>	<u>\$520,931</u>
Operating Income/(Loss)	\$64,554	\$0	\$64,554
Non-Operating Cash Receipts			
Local Taxes	\$20,709	\$0	\$20,709
Miscellaneous	\$941	\$0	
Other Non-Operating Revenues	<u>\$0</u>	<u>\$30,343</u>	<u>\$30,343</u>
Total Non-Operating Cash Receipts	\$21,650	\$30,343	\$51,052
Non-Operating Cash Disbursements			
Debt Service	\$67,629	\$0	\$67,629
Other Non-Operating Cash Disbursements	<u>\$0</u>	<u>\$31,775</u>	<u>\$31,775</u>
Total Non-Operating Cash Disbursements	<u>\$67,629</u>	<u>\$31,775</u>	<u>\$99,404</u>
Excess of Revenues Over/(Under) Expenses Before Interfund Transfers and Advances	\$18,575	(\$1,432)	\$16,202
Transfers-In	\$78,000	\$0	\$78,000
Transfers-Out	<u>(\$86,448)</u>	<u>\$0</u>	<u>(\$86,448)</u>
Net Receipts Over/(Under) Disbursements	\$10,127	(\$1,432)	\$7,754
Fund Cash Balances, January 1, 1998	<u>\$201,182</u>	<u>\$1,786</u>	<u>\$202,968</u>
Fund Cash Balances, December 31, 1998	<u>\$211,309</u>	<u>\$354</u>	<u>\$210,722</u>

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

VILLAGE OF PEBBLES  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Village of Peebles, Adams County, (the Village) is a body politic and corporate 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. A Village Clerk is responsible for fiscal control of the resources of the Village. The Village provides general governmental services, including water and sewer utilities and police and fire services. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

B. BASIS OF ACCOUNTING

The financial statements were prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

C. INVESTMENTS AND INACTIVE FUNDS

Investment procedures are restricted by the provisions of the Revised Code. Interest earned is recognized and recorded when received.

D. FUND ACCOUNTING

The Village maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each type of funds are as follows:

GOVERNMENTAL FUND TYPE:

General Fund

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

VILLAGE OF PEBBLES  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. FUND ACCOUNTING (continued)

GOVERNMENTAL FUND TYPE: (continued)

Special Revenue Funds

To account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified 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 Fund - This fund receives local taxes and revenues from contracts with other political subdivisions to provide fire protection.

Capital Project Fund

To account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by enterprise funds).

PROPRIETARY FUND TYPE:

Enterprise Funds

To account for operations that are financed and operated in a similar manner to private business enterprises where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The Village had the following significant enterprise funds:

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

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

FIDUCIARY FUND TYPES:

The agency fund is used to account for monies collected by one governmental unit for another governmental unit. The Village had the following fiduciary fund:

Agency Fund

Mayor's Court - An agency fund that accounts for activity in mayor's court bank account.

VILLAGE OF PEEBLES  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETARY PROCESS

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

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1998 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.

H. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

VILLAGE OF PEBBLES  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
(continued)

2. EOULTY 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	\$ 361,426	\$ 360,872

Deposits were either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution or the Village, or (3) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

1998 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 198,500	\$ 323,551	\$ 125,051
Special Revenue	82,000	115,783	33,783
Capital Projects	0	122,797	122,797
Enterprise	<u>613,000</u>	<u>685,135</u>	<u>72,135</u>
Total	<u>\$ 893,500</u>	<u>\$1,247,266</u>	<u>\$353,766</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 199,290	\$ 313,683	\$ (114,393)
Special Revenue	53,900	126,777	(72,877)
Capital Projects	0	122,797	(122,797)
Enterprise	<u>587,948</u>	<u>675,008</u>	<u>(87,060)</u>
Total	<u>\$ 841,138</u>	<u>\$1,238,265</u>	<u>\$ (397,127)</u>

1999 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 260,300	\$ 296,141	\$ 35,841
Special Revenue	120,048	157,862	37,814
Capital Projects	0	134,506	134,506
Enterprise	<u>629,145</u>	<u>682,026</u>	<u>52,881</u>
Total	<u>\$1,009,493</u>	<u>\$1,270,535</u>	<u>\$261,042</u>

VILLAGE OF PEBBLES  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
(continued)

3. BUDGETARY ACTIVITY (continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 199,100	\$ 292,759	\$ (93,659)
Special Revenue	49,500	170,058	(120,558)
Capital Projects	0	134,506	(134,506)
Enterprise	<u>592,448</u>	<u>683,625</u>	<u>(91,177)</u>
 Total	 <u>\$ 841,048</u>	 <u>\$1,280,948</u>	 <u>\$(439,900)</u>

In 1998 and 1999, the Village had disbursements exceeding appropriations in all fund types. This was in violation of Ohio Revised Code Section 5705.41B, which prohibits the expenditure of funds unless they have been properly appropriated.

4. PROPERTY TAXES

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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 payments, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan #7008	\$ 50,514	5.77%
Ohio Water Development Authority Loan #230	79,912	2.00%
VCIF Loan	22,050	0.00%
General Obligation Bond	19,200	5.75%
Water Meter Lease	27,203	7.67%
Mortgage Revenue Bonds	<u>925,900</u>	5.00%
 Total	 <u>\$1,124,779</u>	

VILLAGE OF PEBBLES  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
(continued)

5. DEBT (Continued)

The Ohio Water Development Authority (OWDA) loans relate to water and sewer lines. The OWDA has approved up to \$294,646 in loans to the Village for these projects. The loans will be repaid in semiannual installments of \$3,376 (loan #7008) and \$2,796 (loan #230), including interest, over 25 years. The scheduled payment amounts below are based on \$263,671, which was the total amount borrowed.

The VCIF loan was used to perform an I & I study. This allowed for smoke to be run through the village water and sewer lines to detect any problem areas. This also will allow the village to meet EPA regulations.

The mortgage revenue bonds were used to expand water lines and to build a new wastewater treatment plant. The original bonds were for \$1,050,000. Annual payments vary according to repayment schedule.

The general obligation bond was to build a new building to house the village fire department. The original bond was for \$25,000. Annual payments vary according to repayment schedule.

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

Year ending	General OWDA	General OWDA	General Obligation	Mortgage Revenue		Water Meter
<u>December 31</u>	<u>Loan #7008</u>	<u>Loan #230</u>	<u>Bonds</u>	<u>Bonds</u>	<u>VCIF</u>	<u>Lease</u>
2000	\$ 2,191	\$ 2,796	\$ 2,104	\$ 62,060	\$ 2,450	\$13,327
2001	4,382	5,591	2,147	62,100	2,450	13,327
2002	4,382	5,591	2,183	62,100	2,450	2,781
2003	4,382	5,591	2,114	62,060	2,450	
2004	4,382	5,591	2,145	62,080	2,450	
2005-2009	21,912	27,957	10,709	310,465	9,800	
2010-2014	21,912	27,957	6,367	310,390		
2014-2018	21,912	13,978		310,535		
2019-2023				310,390		
Thereafter				239,090		
<b>Total</b>	<b>\$ 85,455</b>	<b>\$ 95,052</b>	<b>\$ 27,769</b>	<b>\$1,791,270</b>	<b>\$22,050</b>	<b>\$29,435</b>

6. RETIREMENT SYSTEM

The Village's law enforcement officers belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

VILLAGE OF PEBBLES  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
(continued)

6. RETIREMENT SYSTEM (Continued)

Contribution rate are also prescribed by the Ohio Revised Code. For 1998 and 1999, members of PEDPF contributed 10% of their wages to the PEDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

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

**MICHAEL A. BALESTRA, CPA, INC.**  
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Ohio Society of Certified Public Accountants

**Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards**

Village Council  
Village of Peebles  
34 South Nixon  
Peebles, Ohio 45660

We have audited the financial statements of the Village of Peebles, Adams County, as of and for the years ended December 31, 1998 and 1999, and have issued our report thereon dated May 5, 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 of Peeble'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 and opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 5, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Peeble'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.

Village Council  
Village of Peebles

Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.

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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 the Village's management in a separate letter dated May 5, 2000.

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

*Michael A. Balestra, CPA, INC.*  
Michael A. Balestra, CPA, INC.

May 5, 2000



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

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VILLAGE OF PEEBLES  
ADAMS 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.

By: Susan Babbitt

Date: JUNE 6, 2000