



**Auditor of State  
Betty Montgomery**



VILLAGE OF MINGO JUNCTION  
JEFFERSON COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Village of Mingo Junction  
Jefferson County  
501 Commercial Street  
Mingo Junction, Ohio 43938

To the Village Council:

We have audited the accompanying financial statements of the Village of Mingo Junction, Jefferson County, (the Village) as of and for the years ended December 31, 2002 and 2001. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Mingo Junction, Jefferson County, as of December 31, 2002 and 2001, 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 February 12, 2003 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. That 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, 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

February 12, 2003

VILLAGE OF MINGO JUNCTION  
JEFFERSON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$1,127,857	\$457,195	\$364,303	\$28,016	\$1,977,371
State Shared Taxes and Permits		153,285			153,285
Special Assessments	795				795
Intergovernmental Receipts	304,974			3,213	308,187
Charges for Services		131,992			131,992
Fines, Licenses, and Permits	54,094				54,094
Earnings on Investments	3,700	923	3,917	5,502	14,042
Miscellaneous	2,118				2,118
<b>Total Cash Receipts</b>	<u>1,493,538</u>	<u>743,395</u>	<u>368,220</u>	<u>36,731</u>	<u>2,641,884</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	723,231	134,721	55,253	129,930	1,043,135
Public Health Services	17,945	6,245			24,190
Leisure Time Activities	15,196	188,024	20,172		223,392
Basic Utility Services		375,095			375,095
Transportation	253,702	134,257	93,564		481,523
General Government	307,432	387,346	5,274	26,119	726,171
Capital Outlay	3,000	22,197			25,197
<b>Total Cash Disbursements</b>	<u>1,320,506</u>	<u>1,247,885</u>	<u>174,263</u>	<u>156,049</u>	<u>2,898,703</u>
Total Receipts Over/(Under) Disbursements	173,032	(504,490)	193,957	(119,318)	(256,819)
<b>Other Financing Receipts and (Disbursements):</b>					
Transfers-In		449,900		100,000	549,900
Transfers-Out	(367,300)	(80,600)			(447,900)
Other Sources	36,018	14,168	2,784		52,970
Other Uses	(881)	(122)			(1,003)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(332,163)</u>	<u>383,346</u>	<u>2,784</u>	<u>100,000</u>	<u>153,967</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(159,131)</u>	<u>(121,144)</u>	<u>196,741</u>	<u>(19,318)</u>	<u>(102,852)</u>
Fund Cash Balances, January 1	926,881	502,595	632,135	205,245	2,266,856
<b>Fund Cash Balances, December 31</b>	<u><b>\$767,750</b></u>	<u><b>\$381,451</b></u>	<u><b>\$828,876</b></u>	<u><b>\$185,927</b></u>	<u><b>\$2,164,004</b></u>

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

**VILLAGE OF MINGO JUNCTION  
JEFFERSON 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, 2002**

	<u>Proprietary Fund Types</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	\$2,211,016	\$0	\$2,211,016
Total Operating Cash Receipts	<u>2,211,016</u>	<u>0</u>	<u>2,211,016</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	672,803		672,803
Contractual Services	252,944		252,944
Supplies and Materials	309,009		309,009
Capital Outlay	49,359		49,359
Total Operating Cash Disbursements	<u>1,284,115</u>	<u>0</u>	<u>1,284,115</u>
Operating Income/(Loss)	<u>926,901</u>	<u>0</u>	<u>926,901</u>
<b>Non-Operating Cash Receipts:</b>			
Property Tax and Other Local Taxes		1,700,291	1,700,291
Interest	22,728		22,728
Other Non-Operating Receipts	17,108	35,995	53,103
Total Non-Operating Cash Receipts	<u>39,836</u>	<u>1,736,286</u>	<u>1,776,122</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	588,623		588,623
Other Non-Operating Cash Disbursements	12,160	1,736,369	1,748,529
Total Non-Operating Cash Disbursements	<u>600,783</u>	<u>1,736,369</u>	<u>2,337,152</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	365,954	(83)	365,871
Transfers-Out	<u>(102,000)</u>		<u>(102,000)</u>
Net Receipts Over/(Under) Disbursements	263,954	(83)	263,871
Fund Cash Balances, January 1	<u>1,529,295</u>	<u>83</u>	<u>1,529,378</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$1,793,249</u></b>	<b><u>\$0</u></b>	<b><u>\$1,793,249</u></b>

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

VILLAGE OF MINGO JUNCTION  
JEFFERSON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$1,287,684	\$504,026	\$421,629	\$27,611	\$2,240,950
Intergovernmental Receipts	423,041	180,450		2,826	606,317
Charges for Services		110,560			110,560
Fines, Licenses, and Permits	68,255				68,255
Miscellaneous	17,293	3,245	6,742	12,294	39,574
<b>Total Cash Receipts</b>	<u>1,796,273</u>	<u>798,281</u>	<u>428,371</u>	<u>42,731</u>	<u>3,065,656</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	736,559	96,225	69,776	121,709	1,024,269
Public Health Services	25,897	6,735			32,632
Leisure Time Activities	34,348	177,906	3,160		215,414
Basic Utility Services		342,408			342,408
Transportation	276,566	125,506	279,079		681,151
General Government	355,623	409,244	28,267	22,296	815,430
Capital Outlay	24,405	23,452			47,857
<b>Total Cash Disbursements</b>	<u>1,453,398</u>	<u>1,181,476</u>	<u>380,282</u>	<u>144,005</u>	<u>3,159,161</u>
Total Receipts Over/(Under) Disbursements	<u>342,875</u>	<u>(383,195)</u>	<u>48,089</u>	<u>(101,274)</u>	<u>(93,505)</u>
<b>Other Financing Receipts and (Disbursements):</b>					
Sale of Fixed Assets	1,520				1,520
Transfers-In		402,514	50,000	95,000	547,514
Transfers-Out	(363,014)	(82,500)			(445,514)
Other Sources	110,505	356	400		111,261
Other Uses		(299)	(100)		(399)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(250,989)</u>	<u>320,071</u>	<u>50,300</u>	<u>95,000</u>	<u>214,382</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	91,886	(63,124)	98,389	(6,274)	120,877
Fund Cash Balances, January 1	<u>834,995</u>	<u>565,719</u>	<u>533,746</u>	<u>211,519</u>	<u>2,145,979</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$926,881</b></u>	<u><b>\$502,595</b></u>	<u><b>\$632,135</b></u>	<u><b>\$205,245</b></u>	<u><b>\$2,266,856</b></u>

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

**VILLAGE OF MINGO JUNCTION  
JEFFERSON 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, 2001**

	<u>Proprietary Fund Types</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	\$2,099,265	\$0	\$2,099,265
Total Operating Cash Receipts	<u>2,099,265</u>	<u>0</u>	<u>2,099,265</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	634,058		634,058
Contractual Services	265,704		265,704
Supplies and Materials	324,484		324,484
Capital Outlay	30,875		30,875
Total Operating Cash Disbursements	<u>1,255,121</u>	<u>0</u>	<u>1,255,121</u>
Operating Income/(Loss)	<u>844,144</u>	<u>0</u>	<u>844,144</u>
<b>Non-Operating Cash Receipts:</b>			
Property Tax and Other Local Taxes		1,979,807	1,979,807
Other Non-Operating Receipts	62,641	39,161	101,802
Total Non-Operating Cash Receipts	<u>62,641</u>	<u>2,018,968</u>	<u>2,081,609</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	588,622		588,622
Other Non-Operating Cash Disbursements	14,721	2,018,948	2,033,669
Total Non-Operating Cash Disbursements	<u>603,343</u>	<u>2,018,948</u>	<u>2,622,291</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	303,442	20	303,462
Transfers-Out	<u>(102,000)</u>		<u>(102,000)</u>
Net Receipts Over/(Under) Disbursements	201,442	20	201,462
Fund Cash Balances, January 1	<u>1,327,853</u>	<u>63</u>	<u>1,327,916</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$1,529,295</u></b>	<b><u>\$83</u></b>	<b><u>\$1,529,378</u></b>

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

**VILLAGE OF MINGO JUNCTION  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Mingo Junction, Jefferson 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 water and sewer utilities, park operations, and police and fire protection services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. 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**

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.

Certificates of deposit are valued at cost.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

*Garbage Fund* - This fund receives tax monies to cover the cost of providing garbage utility services to residents.

**VILLAGE OF MINGO JUNCTION  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax monies 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 or trust funds). The Village had the following significant capital project funds:

*Capital Improvement Fund* - This fund is used to purchase equipment for the village, including computers, fire equipment, police equipment and road service equipment.

*Street Improvement Fund* – This fund is used to pay for street paving improvements, curb improvements and engineering fees for such projects.

**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.

**5. Fiduciary Funds (Trust and Agency 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* – This fund is an agency fund to account for the receipt of income tax revenue and for subsequent disbursement to the appropriate funds.

*Mayors Court Fund* – This fund serves as a clearing account for Mayors Court activity.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**VILLAGE OF MINGO JUNCTION  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2002 and 2001 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. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

**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:

	2002	2001
Demand deposits	\$3,034,279	\$2,898,796
Certificates of deposit	922,974	897,438
Total deposits	\$3,957,253	\$3,796,234

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Village.

**VILLAGE OF MINGO JUNCTION  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,363,500	\$1,529,556	\$166,056
Special Revenue	1,091,800	1,207,463	115,663
Capital Projects	333,950	371,004	37,054
Enterprise	1,790,000	2,250,852	460,852
Fiduciary	131,200	136,731	5,531
Total	\$4,710,450	\$5,495,606	\$785,156

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,789,788	\$1,688,687	\$101,101
Special Revenue	1,341,951	1,328,607	13,344
Capital Projects	378,600	174,263	204,337
Enterprise	2,137,302	1,986,898	150,404
Fiduciary	199,000	156,049	42,951
Total	\$5,846,641	\$5,334,504	\$512,137

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,907,458	\$1,908,298	\$840
Special Revenue	1,199,296	1,201,151	1,855
Capital Projects	478,000	478,771	771
Enterprise	2,156,630	2,161,906	5,276
Fiduciary	137,200	137,731	531
Total	\$5,878,584	\$5,887,857	\$9,273

**VILLAGE OF MINGO JUNCTION  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,993,281	\$1,816,412	\$176,869
Special Revenue	1,447,375	1,264,275	183,100
Capital Projects	508,134	380,382	127,752
Enterprise	2,179,504	1,960,464	219,040
Fiduciary	199,000	144,005	54,995
Total	\$6,327,294	\$5,565,538	\$761,756

**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 payments, the first half is due December 31. The second half payment is due the following June 20.

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. LOCAL INCOME TAX**

The Village levies a municipal income tax of 2% percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**6. DEBT**

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$6,484,956	5.77%
Mortgage Revenue Sewer Bonds	5,000	4.00%
Total	\$6,489,956	

**VILLAGE OF MINGO JUNCTION  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**6. DEBT (Continued)**

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project. The OWDA approved loans to the Village for this project. The loans will be repaid in semiannual installments of \$294,310, including interest, over 25 years. The loan is collateralized by water and sewer receipts.

The Mortgage Revenue Sewer Bonds are outstanding bonds of a sewer project.

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

	<u>OWDA Loan</u>	<u>Mortgage Revenue Bonds</u>
Year ending December 31:		
2003	\$294,311	\$5,200
2004	588,622	
2005	588,622	
2006	588,622	
2007	588,622	
2008 – 2010	7,946,395	
Total	<u>\$10,595,194</u>	<u>\$5,200</u>

**7. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant and 24% of fire participant wages. For 2002 and 2001, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2002.

**8. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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



**Auditor of State  
Betty Montgomery**

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

Village of Mingo Junction  
Jefferson County  
501 Commercial Street  
Mingo Junction, Ohio 43938

To the Village Council:

We have audited the accompanying financial statements of the Village of Mingo Junction, Jefferson County, (the Village) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated February 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated February 12, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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 February 12, 2003.

Village of Mingo Junction  
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Required by *Government Auditing Standards*  
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This report is intended solely for the information and use of the audit committee, management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

February 12, 2003



**Auditor of State  
Betty Montgomery**

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**VILLAGE OF MINGO JUNCTION**

**JEFFERSON 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  
APRIL 10, 2003**