



**VILLAGE OF METAMORA
FULTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF METAMORA
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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Metamora
Fulton County
114 East Main Street
PO Box 299
Metamora, Ohio 43540-0299

To the Village Council:

We have audited the accompanying financial statements of the Village of Metamora, Fulton County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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 audits 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 audits provide a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the finance 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.

Jim Petro
Auditor of State

May 19, 2000

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$184,071		\$85,000	\$269,071
Intergovernmental Receipts	57,476	\$24,868		82,344
Charges for Services	875			875
Fines, Licenses, and Permits	500			500
Miscellaneous	14,818	2,526		17,344
Total Cash Receipts	<u>257,740</u>	<u>27,394</u>	<u>85,000</u>	<u>370,134</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	11,187			11,187
Leisure Time Activities	9,239			9,239
Community Environment	1,883			1,883
Transportation		22,225		22,225
General Government	84,765		110,499	195,264
Debt Service:				
Capital Outlay	45,053	1,828		46,881
Total Cash Disbursements	<u>152,127</u>	<u>24,053</u>	<u>110,499</u>	<u>286,679</u>
Total Receipts Over/(Under) Disbursements	<u>105,613</u>	<u>3,341</u>	<u>(25,499)</u>	<u>83,455</u>
Other Financing Receipts/(Disbursements):				
Transfers-In			25,660	25,660
Transfers-Out	(121,673)			(121,673)
Total Other Financing Receipts/(Disbursements)	<u>(121,673)</u>		<u>25,660</u>	<u>(96,013)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(16,060)	3,341	161	(12,558)
Fund Cash Balances, January 1, 1999	235,501	17,282		252,783
Fund Cash Balances, December 31, 1999	<u><u>\$219,441</u></u>	<u><u>\$20,623</u></u>	<u><u>\$161</u></u>	<u><u>\$240,225</u></u>
Reserves for Encumbrances, December 31, 1999	<u>\$4,694</u>		<u>\$31,805</u>	<u>\$36,499</u>

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

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$248,397
Miscellaneous	2,413
	250,810
Operating Cash Disbursements:	
Personal Services	90,700
Transportation	521
Contractual Services	38,073
Supplies and Materials	13,363
Capital Outlay	34,431
	177,088
Operating Income	73,722
Non-Operating Cash Receipts:	
Property Tax and Other Local Taxes	12,602
Intergovernmental Receipts	6,244
	18,846
Non-Operating Cash Disbursements:	
Debt Service	115,770
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers	(23,202)
Transfers-In	155,770
Transfers-Out	(59,757)
	72,811
Net Cash Receipts Over Cash Disbursements	72,811
Fund Cash Balances, January 1, 1999	84,413
Fund Cash Balances, December 31, 1999	\$157,224
Reserve for Encumbrances, December 31, 1999	\$64

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

**VILLAGE OF METAMORA
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$181,151		\$181,151
Intergovernmental Receipts	57,899	\$24,044	81,943
Fines, Licenses, and Permits	817		817
Miscellaneous	17,635	1,659	19,294
Total Cash Receipts	<u>257,502</u>	<u>25,703</u>	<u>283,205</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	11,171		11,171
Leisure Time Activities	13,463		13,463
Community Environment	1,231		1,231
Transportation		24,622	24,622
General Government	64,258		64,258
Debt Service:			
Capital Outlay	39,352	9,252	48,604
Total Cash Disbursements	<u>129,475</u>	<u>33,874</u>	<u>163,349</u>
Total Receipts Over/(Under) Disbursements	<u>128,027</u>	<u>(8,171)</u>	<u>119,856</u>
Other Financing Receipts/(Disbursements):			
Transfers-Out	(58,220)		(58,220)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	69,807	(8,171)	61,636
Fund Cash Balances January 1, 1998	<u>165,694</u>	<u>25,453</u>	<u>191,147</u>
Fund Cash Balances, December 31, 1998	<u><u>\$235,501</u></u>	<u><u>\$17,282</u></u>	<u><u>\$252,783</u></u>
Reserves for Encumbrances, December 31, 1998	<u><u>\$6,785</u></u>		<u><u>\$6,785</u></u>

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

**VILLAGE OF METAMORA
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$224,489
Miscellaneous	994
	225,483
Operating Cash Disbursements:	
Personal Services	87,704
Transportation	563
Contractual Services	45,860
Supplies and Materials	15,286
Capital Outlay	46,828
	196,241
Operating Income	29,242
Non-Operating Cash Receipts:	
Property Tax and Other Local Taxes	12,154
Non-Operating Cash Disbursements:	
Debt Service	117,870
Excess of Disbursements Over Receipts Before Interfund Transfers	(76,474)
Transfers-In	122,724
Transfers-Out	(64,504)
Net Disbursements Over Receipts	(18,254)
Fund Cash Balances, January 1, 1998	102,667
Fund Cash Balances, December 31, 1998	\$84,413
Reserve for Encumbrances, December 31	\$2,650

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Metamora, Fulton County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities). The Village contracts with the Fulton County Sheriff's department to provide security of persons and property.

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

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

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Fund

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

VILLAGE OF METAMORA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

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

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital project fund:

Capital Improvement Fund - This fund is used for repairing and improving Village building and properties and to maintain parks. Nature grant was utilized to make park improvements.

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.

Utility Improvement Fund - This fund receives loan proceeds from the Ohio Water Development Authority to finance a utility plant expansion. This loan will be repaid from a utility surcharge, and accounted for in this fund.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$228,947	\$205,264
Certificates of deposit	114,766	80,795
Total deposits	343,713	286,059
 STAR Ohio	 53,736	 51,137
Total deposits and investments	\$397,449	\$337,196

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

Investments: Investments in STAR Ohio is not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

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

VILLAGE OF METAMORA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$237,959	\$257,740	\$19,781
Special Revenue	24,470	27,394	2,924
Capital Projects	151,999	110,660	(41,339)
Enterprise	389,534	425,426	35,892
Total	<u>\$803,962</u>	<u>\$821,220</u>	<u>\$17,258</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$473,460	\$278,494	\$194,966
Special Revenue	41,752	24,053	17,699
Capital Projects	143,805	142,304	1,501
Enterprise	435,898	352,679	83,219
Total	<u>\$1,094,915</u>	<u>\$797,530</u>	<u>\$297,385</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$233,788	\$257,502	\$23,714
Special Revenue	24,720	25,703	983
Enterprise	906,119	360,361	(545,758)
Total	<u>\$1,164,627</u>	<u>\$643,566</u>	<u>(\$521,061)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$399,482	\$194,480	\$205,002
Special Revenue	50,164	33,874	16,290
Enterprise	512,479	381,265	131,214
Total	<u>\$962,125</u>	<u>\$609,619</u>	<u>\$352,506</u>

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

4. PROPERTY TAX

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

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

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

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$362,153	6.75%
General Obligation Bonds	261,753	4.00%
General Obligation Notes	245,000	6.00%
Total	\$868,906	

The Ohio Water Development Authority (OWDA) and the Ohio Public Works Commission loans relate to sanitary sewer system interceptor and sludge lagoon system as mandated by the Ohio Environmental Protection Agency. The OWDA loan will be repaid in semiannual installments of \$40,792, including interest, over 20 years. The OPWC loan will be repaid in semiannual installments of \$23,965, including interest, over 20 years.

The General Obligation Bonds relate to improving the Village's waterworks system by expanding and upgrading its water treatment plant. The Bonds will be repaid in quarterly installments with a fixed principal amount of \$8,750 and a declining interest amount, over 10 years.

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

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

Year ending December 31:	OPWC Loan	OWDA Loan	General Obligation Notes
2000	\$23,965	\$40,792	\$48,913
2001	23,965	40,792	46,812
2002	23,965	40,792	44,713
2003	23,965	40,792	42,613
2004	23,965	40,792	40,513
Subsequent	<u>227,670</u>	<u>367,128</u>	<u>74,725</u>
Total	<u><u>\$347,495</u></u>	<u><u>\$571,088</u></u>	<u><u>\$298,289</u></u>

6. RETIREMENT SYSTEMS

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

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

7. RISK MANAGEMENT

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy.

The Pool may assess supplemental premiums. The following risks are covered by the Pool:

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

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



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

Village of Metamora
Fulton County
114 East Main Street
PO Box 299
Metamora, Ohio 43540-0299

To the Village Council:

We have audited the accompanying financial statements of the Village of Metamora, Fulton County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 19, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated May 19, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated May 19, 2000.

Village of Metamora
Fulton County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

May 19, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF METAMORA

FULTON 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
JUNE 8, 2000**