



**VILLAGE OF METAMORA
FULTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022-2021

**OHIO AUDITOR OF STATE
KEITH FABER**



VILLAGE OF METAMORA
FULTON COUNTY

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INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Metamora, Fulton County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2022 and 2021, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023, 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 11, 2023

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VILLAGE OF METAMORA
FULTON COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
Cash Receipts:				
Property and Other Local Taxes	\$47,709	\$6,323		\$54,032
Municipal Income Tax	274,071			274,071
Intergovernmental	37,901	82,123	\$2,880	122,904
Charges for Services	4,550			4,550
Fines, Licenses and Permits	4,436			4,436
Earnings on Investments	3,454	374		3,828
Miscellaneous	8,082	2,001		10,083
<i>Total Cash Receipts</i>	<u>380,203</u>	<u>90,821</u>	<u>2,880</u>	<u>473,904</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	14,171			14,171
Leisure Time Activities	23,296	4,808		28,104
Community Environment	2,817			2,817
Transportation		33,935		33,935
General Government	166,780	21,159		187,939
Capital Outlay	154,234	25,940		180,174
Debt Service:				
Principal Retirement		1,075	44,700	45,775
Interest and Fiscal Charges			1,518	1,518
<i>Total Cash Disbursements</i>	<u>361,298</u>	<u>86,917</u>	<u>46,218</u>	<u>494,433</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>18,905</u>	<u>3,904</u>	<u>(43,338)</u>	<u>(20,529)</u>
Other Financing Receipts (Disbursements):				
Sale of Capital Assets	1,704			1,704
Transfers In		20,500	44,182	64,682
Transfers Out	(109,682)	(15,000)		(124,682)
Other Financing Sources	3,304			3,304
Other Financing Uses	(1,286)	(500)		(1,786)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(105,960)</u>	<u>5,000</u>	<u>44,182</u>	<u>(56,778)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(87,055)</u>	<u>8,904</u>	<u>844</u>	<u>(77,307)</u>
<i>Fund Cash Balances, January 1</i>	<u>757,404</u>	<u>125,352</u>	<u>4,350</u>	<u>887,106</u>
<i>Fund Cash Balances, December 31</i>	<u>\$670,349</u>	<u>\$134,256</u>	<u>\$5,194</u>	<u>\$809,799</u>

See accompanying notes to the basic financial statements

VILLAGE OF METAMORA
FULTON COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$96,051
Fees, Licenses and Permits	2,176
	98,227
<i>Total Operating Cash Receipts</i>	<i>98,227</i>
Operating Cash Disbursements:	
Personal Services	38,593
Contractual Services	34,976
Supplies and Materials	3,051
	76,620
<i>Total Operating Cash Disbursements</i>	<i>76,620</i>
<i>Operating Income</i>	<i>21,607</i>
Non-Operating Receipts (Disbursements):	
Earnings on Investments	563
Miscellaneous Receipts	21
Capital Outlay	(18,671)
Principal Retirement	(112,897)
Interest and Other Fiscal Charges	(14,666)
Other Financing Sources	3,939
	(141,711)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(141,711)</i>
<i>Loss before Transfers</i>	<i>(120,104)</i>
Transfers In	130,004
Transfers Out	(70,004)
	(60,104)
<i>Net Change in Fund Cash Balance</i>	<i>(60,104)</i>
<i>Fund Cash Balances, January 1</i>	<i>168,767</i>
<i>Fund Cash Balances, December 31</i>	<i>\$108,663</i>

See accompanying notes to the basic financial statements

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Metamora, Fulton County, Ohio (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. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities and park operations. The Village contracts with the Fulton County Sheriff's department to provide security of persons and property.

Jointly Governed Organization and Public Entity Risk Pools

The Village participates in a jointly governed organization and public entity risk pools. Notes 7 and 12 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for proprietary fund type which are all organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported 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 account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

American Rescue Plan Act Fund The American Rescue Plan Act fund accounts for federal funding which was used for a sanitary sewer study.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Debt Service Fund The debt service fund receives transferred monies to pay off the road improvement bonds issued by the Metamora State Bank.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Enterprise Debt Service Fund The enterprise debt service fund accounts for the accumulation of resources for the payment of bonds and note indebtedness incurred for sewer improvement.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

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 Village Council must annually approve appropriation measures and subsequent amendments. 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 approve estimated resources.

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

A summary of 2022 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Auto Permissive fund by \$2,588 for the year ended December 31, 2022.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$433,093	\$385,211	(\$47,882)
Special Revenue	121,661	111,321	(10,340)
Debt Service	46,063	47,062	999
Enterprise	228,511	232,754	4,243
Total	\$829,328	\$776,348	(\$52,980)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$562,754	\$472,266	\$90,488
Special Revenue	190,946	102,417	88,529
Debt Service	47,063	46,218	845
Enterprise	332,835	292,858	39,977
Total	\$1,133,598	\$913,759	\$219,839

Note 5 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$669,418
STAR Ohio	249,044
Total Deposits and Investments	\$918,462

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the village is holding \$2,575 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

Investments

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

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

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

Income Taxes

The Village levies a municipal income tax of one 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.

The Regional Income Tax Agency administers and collects income taxes for the Village. Payments are remitted monthly net of collection fees of approximately 3.0 percent.

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 – Risk Management

Workers' Compensation

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Sedgwick provides administrative, cost control and actuarial services to the GRP.

Risk Pool Membership

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (Members). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Social Security

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 10 – Debt

Debt outstanding at December 31, 2022, was as follows:

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

	Principal	Interest Rate
General Obligation Bonds:		
- Street Improvements, Series 2013	\$39,000	2.25%
- Sanitary Sewer Refunding, Series 2016	381,819	3.00%
Ohio Public Works Commission (OPWC) Loans:		
- Water Treatment Plant Improvements	37,421	0.00%
- Parker Road Improvements	77,050	0.00%
Total	\$535,290	

The General Obligation bonds issued by the Village are for street improvements. The bonds will be paid back in varying amounts over 10 years. The Village levied a tax sufficient to pay off the bonds.

The General Obligation Sewer Bonds relate to the refinancing of the USDA bonds issued in the original amount of \$558,000 in Sanitary Sewer Bonds Series 2007 A for improving the Village’s sanitary sewer and storm sewer system. The bonds bore an interest rate of 4.125% per year. The Village refinanced with the Metamora State Bank for the amount of \$502,600 at a rate of 3% in December of 2016, paying off the original loan with the USDA. The bonds will be repaid in semi-annual installments of \$16,800 over 20 years, maturing December 1, 2036. The bonds are secured by the properties, assets, and revenue of the sewer and storm sewer system.

The Village has several no interest loans through the Ohio Public Works Commission.

The Water Treatment Plant Improvement loan was for improvements to the water plant of the Village. The Village passed water services, collections and upkeep, to Fulton County due to monetary and OEPA mandated constraints on the upkeep of the plant. The loan will be repaid in semi-annual installments of \$1,969 over 20 years, maturing January 1, 2032. Fulton County reimburses the Village for the semi-annual payment amount.

The Parker Road improvement loan relates to improvements to Parker road in a partnership with Amboy Township. Amboy Township has a 43% stake in the improvements and loan. The loan will be repaid in semi-annual installments of \$3,350 for a period of 20 years, maturing July 1, 2034.

Amortization

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

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Year Ending December 31:	General Obligation Bonds	OPWC Loans
2023	\$73,265	\$10,639
2024	33,601	10,639
2025	33,601	10,639
2026	33,601	10,639
2027	33,601	10,639
2028-2032	168,005	51,226
2033-2036	134,155	10,050
Total	\$509,829	\$114,471

Note 11 – Interfund Transfers

	Transfers In	Transfers Out
General Fund		\$ 109,682
Special Revenue:		
Street Construction, Maintenance, and Repair Fund	\$ 20,500	15,000
Debt Service:		
Debt Service Fund	44,182	
Enterprise:		
Sewer Fund		45,347
Enterprise Debt Service Fund	130,004	
USDA Debt Reserve Fund		24,657
Total Enterprise	130,004	70,004
Totals	\$ 194,686	\$ 194,686

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them and to provide additional resources for debt service.

Note 12 – Jointly Governed Organization

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2022, the Village paid RITA \$8,151 for income tax collection services.

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 – Fund Balances

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds are restricted committed or assigned.

VILLAGE OF METAMORA
FULTON COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
Cash Receipts:				
Property and Other Local Taxes	\$45,210	\$6,120		\$51,330
Municipal Income Tax	371,843			371,843
Intergovernmental	32,940	82,129	\$5,762	120,831
Charges for Services	625	7,456		8,081
Fines, Licenses and Permits	4,545			4,545
Earnings on Investments	257	33		290
Miscellaneous	13,088	428		13,516
<i>Total Cash Receipts</i>	<u>468,508</u>	<u>96,166</u>	<u>5,762</u>	<u>570,436</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	13,588			13,588
Leisure Time Activities	14,290	13,298		27,588
Community Environment	2,144			2,144
Transportation		40,208		40,208
General Government	152,713	7,034		159,747
Capital Outlay	2,224	23,167		25,391
Debt Service:				
Principal Retirement		6,030	47,050	53,080
Interest and Fiscal Charges			2,363	2,363
<i>Total Cash Disbursements</i>	<u>184,959</u>	<u>89,737</u>	<u>49,413</u>	<u>324,109</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>283,549</u>	<u>6,429</u>	<u>(43,651)</u>	<u>246,327</u>
Other Financing Receipts (Disbursements):				
Transfers In		17,750	44,091	61,841
Transfers Out	(132,841)	(19,000)		(151,841)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(132,841)</u>	<u>(1,250)</u>	<u>44,091</u>	<u>(90,000)</u>
<i>Net Change in Fund Cash Balances</i>	150,708	5,179	440	156,327
<i>Fund Cash Balances, January 1</i>	<u>606,696</u>	<u>120,173</u>	<u>3,910</u>	<u>730,779</u>
<i>Fund Cash Balances, December 31</i>	<u>\$757,404</u>	<u>\$125,352</u>	<u>\$4,350</u>	<u>\$887,106</u>

See accompanying notes to the basic financial statements

VILLAGE OF METAMORA
FULTON COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$95,406
Fees, Licenses and Permits	2,345
	97,751
<i>Total Operating Cash Receipts</i>	<u>97,751</u>
Operating Cash Disbursements:	
Personal Services	27,155
Transportation	46
Contractual Services	27,377
Supplies and Materials	917
	55,495
<i>Total Operating Cash Disbursements</i>	<u>55,495</u>
<i>Operating Income</i>	<u>42,256</u>
Non-Operating Receipts (Disbursements):	
Intergovernmental Receipts	7,878
Earnings on Investments	59
Principal Retirement	(109,831)
Interest and Other Fiscal Charges	(18,582)
	(120,476)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(120,476)</u>
<i>Loss before Transfers</i>	(78,220)
Transfers In	123,522
Transfers Out	(33,522)
	11,780
<i>Net Change in Fund Cash Balance</i>	<u>11,780</u>
<i>Fund Cash Balances, January 1</i>	<u>156,987</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$168,767</u></u>
<i>See accompanying notes to the basic financial statements</i>	

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Metamora, Fulton County, Ohio (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. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities and park operations. The Village contracts with the Fulton County Sheriff's department to provide security of persons and property.

Jointly Governed Organization and Public Entity Risk Pools

The Village participates in a jointly governed organization and public entity risk pools. Notes 7 and 12 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for proprietary fund type which are all organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported 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 account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Coronavirus Relief Fund The coronavirus relief fund accounts for and reports grant money from federal and/or state that are committed to coronavirus relief.

Auto Permissive Fund The auto permissive fund accounts for and reports motor vehicle license taxes received through the County Engineer restricted for construction, maintenance, and repair of streets within the Village.

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Debt Service Fund The debt service fund receives transferred monies to pay off the road improvement bonds issued by the Metamora State Bank.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Enterprise Debt Service Fund The enterprise debt service fund accounts for the accumulation of resources for the payment of bonds and note indebtedness incurred for sewer improvement.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

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 Village Council must annually approve appropriation measures and subsequent amendments. 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 approve estimated resources.

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

A summary of 2021 budgetary activity appears in Note 4.

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Auto Permissive and Park funds by \$16,113 and \$1,324, respectively, for the year ended December 31, 2021.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$381,466	\$468,508	\$87,042
Special Revenue	102,262	113,916	11,654
Debt Service	49,593	49,853	260
Enterprise	229,680	229,210	(470)
Total	\$763,001	\$861,487	\$98,486

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$414,872	\$317,800	\$97,072
Special Revenue	135,986	108,737	27,249
Debt Service	49,413	49,413	
Enterprise	253,175	217,430	35,745
Total	\$853,446	\$693,380	\$160,066

Note 5 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

	<u>2021</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$811,018
STAR Ohio	<u>244,855</u>
Total Deposits and Investments	<u><u>\$1,055,873</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Village is holding \$2,439 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

Investments

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

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

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

Income Taxes

The Village levies a municipal income tax of one 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.

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The Regional Income Tax Agency administers and collects income taxes for the Village. Payments are remitted monthly net of collection fees of approximately 3.0 percent.

Note 7 – Risk Management

Workers’ Compensation

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers’ compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers’ compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant’s individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the “Equity Pooling Fund.” This “equity pooling” arrangement insures that each participant shares equally in the overall performance of the GRP. Sedgwick provides administrative, cost control and actuarial services to the GRP.

Risk Pool Membership

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (Members). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	(15,037,383)
Members’ Equity	<u>\$ 6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Social Security

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 10 – Debt

Debt outstanding at December 31, 2021, was as follows:

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds:		
- Street Improvements, Series 2013	\$77,000	2.250%
- Sanitary Sewer Refunding, Series 2016	403,477	3.000%
Revenue Bonds:		
- Sanitary Sewer System Mortgage, Series 2007	87,300	4.125%
Ohio Public Works Commission (OPWC) Loans:		
- East Main Street Sewer Separation	1,075	0.000%
- Water Treatment Plant Improvements	41,360	0.000%
- Parker Road Improvements	83,750	0.000%
Total	<u>\$693,962</u>	

The General Obligation bonds issued by the Village are for street improvements. The bonds will be paid back in varying amounts over 10 years. The Village levied a tax sufficient to pay off the bonds.

The General Obligation Sewer Bonds relate to the refinancing of the USDA bonds issued in the original amount of \$558,000 in Sanitary Sewer Bonds Series 2007 A for improving the Village's sanitary sewer and storm sewer system. The bonds bore an interest rate of 4.125% per year. The Village refinanced with the Metamora State Bank for the amount of \$502,600 at a rate of 3% in December of 2016, paying off the original loan with the USDA. The bonds will be repaid in semi-annual installments of \$16,800 over 20 years, maturing December 1, 2036. The bonds are secured by the properties, assets, and revenue of the sewer and storm sewer system.

The Sanitary Sewer System Mortgage Revenue Bonds relate to improving the Village's sanitary sewer and storm sewer system. The amount of bonds issued were \$454,000 Sanitary Sewer Bonds Series 2007 B. The bonds shall bear interest at the rate of 4.125% per year. That interest shall be payable annually on June 1st of each year commencing June 1, 2008 along with a varying principal amount. The bonds will be repaid in full on June 1, 2036. The bonds are secured by the properties, assets, and revenue of the sewer and storm sewer system.

The Village has several no interest loans through the Ohio Public Works Commission.

The East Main Street loan relates to the installments of a storm drainage system and partial separation of the sewer system. The loan will be repaid in semiannual installments of \$358 over 20 years, maturing January 1, 2023.

The Water Treatment Plant Improvement loan was for improvements to the water plant of the Village. The Village passed water services, collections and upkeep, to Fulton County due to monetary and OEPA mandated constraints on the upkeep of the plant. The loan will be repaid in semi-annual installments of \$1,969 over 20 years, maturing January 1, 2032. Fulton County reimburses the Village for the semi-annual payment amount.

The Parker Road improvement loan relates to improvements to Parker road in a partnership with Amboy Township. Amboy Township has a 43% stake in the improvements and loan. The loan will be repaid in semi-annual installments of \$3,350 for a period of 20 years, maturing July 1, 2034.

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Amortization

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

Year Ending December 31:	General Obligation Bonds	Revenue Bonds	OPWC Loans
2022	\$73,120	\$90,023	\$11,714
2023	73,265		10,639
2024	33,601		10,639
2025	33,601		10,639
2026	33,601		10,639
2027-2031	168,005		53,195
2032-2036	167,756		18,720
Total	<u>\$582,949</u>	<u>\$90,023</u>	<u>\$126,185</u>

Note 11 – Interfund Transfers

	Transfers In	Transfers Out
General Fund		\$ 132,841
Special Revenue:		
Street Construction, Maintenance, and Repair Fund		15,000
Auto Permissive Fund	\$ 17,750	4,000
Total Special Revenue	17,750	19,000
Debt Service:		
Debt Service Fund	44,091	
Enterprise:		
Sewer Fund		33,522
Enterprise Debt Service Fund	123,522	
Total Enterprise	123,522	33,522
Totals	<u>\$ 185,363</u>	<u>\$ 185,363</u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them and to provide additional resources for debt service.

Village of Metamora, Ohio
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 – Jointly Governed Organization

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2021, the Village paid RITA \$10,529 for income tax collection services.

Note 13 – Fund Balances

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds are restricted committed or assigned.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Village Council:

We have audited, 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 the Comptroller General of the United States (Government Auditing Standards), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Metamora, Fulton County, Ohio (the Village) and have issued our report thereon dated December 11, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2022-002 and 2022-003.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

December 11, 2023

**VILLAGE OF METAMORA
FULTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2022-001

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were identified for the year ended December 31, 2022:

- Video service provider franchise fees in the amount of \$3,916 were improperly reported in the General fund as miscellaneous revenue instead of fines, licenses and permits.
- Township contributions towards Village debt service in the Debt Service fund was improperly reported as miscellaneous revenue instead of intergovernmental revenue in the amount of \$2,880.
- The amounts reported as budgeted receipts in the budgetary activity note did not agree to amounts certified by the County Budget Commission. The budgeted receipts were understated in the Special Revenue funds in the amount of \$255.
- The amounts reported as appropriation authority in the budgetary activity note did not agree to amounts approved by Council and certified by the County Auditor. The appropriation authority amounts were overstated in the General and Special Revenue funds in the amounts of \$1,841 and \$3,204, respectively.

The following errors were identified for the year ended December 31, 2021:

- Video service provider franchise fees in the amount of \$4,105 were improperly reported in the General fund as miscellaneous revenue instead of fines, licenses and permits.
- Township contribution towards Village debt service in the Debt Service fund was improperly reported as miscellaneous revenue and other debt proceeds in the amounts of \$4,322 and \$1,440, respectively, instead of intergovernmental revenue in the amount of \$5,762.
- County contribution towards Village debt service in the Enterprise funds was improperly reported as other financing sources instead of intergovernmental revenue in the amount of \$7,878.
- The amounts reported as budgeted receipts in the budgetary activity note did not agree to amounts certified by the County Budget Commission. The budgeted receipts were understated in the Special Revenue funds in the amount of \$31,844 and overstated in the Debt Service fund in the amount of \$5,909.
- The amounts reported as appropriation authority in the budgetary activity note did not agree to amounts approved by Council and certified by the County Auditor. The appropriation authority amounts were overstated in the General, Special Revenue and Enterprise funds in the amounts of \$18,610, \$21,900, and \$475, respectively.

These errors were not identified or corrected prior to the Village preparing its financial statements and notes to the financial statements due to deficiencies in the Village's internal controls over financial statement monitoring. Failure to complete accurate financial statements and notes to the financial statements could lead to the Council making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct these errors. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$1,704 to \$3,561 that we have brought to the Village's attention.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate the Village should adopt policies and procedures over financial reporting, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Village Council, to help identify and correct errors and omissions.

Officials' Response:

As a newly hired Fiscal Officer in April of 2021, I followed many of the same policies and procedures as implemented by my predecessor. For example, the Video service franchise fees from Charter Communications were deposited into the revenue account that was used in previous years prior to my hire. Those corrections will be made. The same is true for the Township & County reimbursements regarding our loans. I followed the same revenue accounts as my predecessor. The appropriation activity did not agree as certified with the County Auditor in 2021 I believe due to the fact I missed presenting an Ordinance to council for the 4th quarter (Oct, Nov & Dec) appropriations changes. The changes were approved by Council at meetings but never drafted in an Ordinance and sent over to the County Auditor. The Fiscal Officer is now aware of and understands the importance of the information recorded in the accounting system and will ensure all appropriations are reported to the County Auditor in a timely manner.

FINDING NUMBER 2022-002

Noncompliance

Ohio Rev. Code § 731.141 states, in part, that when an expenditure, other than the compensation of persons employed by the village, exceeds fifty thousand dollars, the expenditure shall first be authorized and directed by ordinance of the legislative authority of the village. When so authorized and directed, except where the contract is for equipment, services, materials, or supplies to be purchased under division (D) of section 713.23 or section 125.04 or 5513.01 of the Revised Code, available from a qualified nonprofit agency pursuant to sections 4115.31 to 4115.35 of the Revised Code, or required to be purchased from a qualified nonprofit agency under sections 125.60 to 125.6012 of the Revised Code, the village administrator shall make a written contract with the lowest and best bidder after advertisement for not less than two nor more than four consecutive weeks in a newspaper of general circulation within the village or as provided in section 7.16 of the Revised Code. The bids shall be opened and shall be publicly read by the village administrator or a person designated by the village administrator at the time, date, and place as specified in the advertisement to bidders or specifications. The time, date, and place of bid openings may be extended to a later date by the village administrator, provided that written or oral notice of the change shall be given to all persons who have received or requested specifications no later than ninety-six hours prior to the original time and date fixed for the opening. All contracts shall be executed in the name of the village and signed on its behalf by the village administrator and the clerk.

On November 23, 2022, the Village Council approved the purchase of a Ford F-350 truck in the amount of \$81,595. No documentation was available to show the items were bid or approved as emergency measures.

The Village did not have procedures in place to document the method of procurement for these purchases.

The Village should contract all projects and equipment which exceed the \$50,000 threshold through competitive bidding procedures. Failure to follow competitive bidding procedures could result in the Village paying more for contracts.

Officials' Response:

The Fiscal Officer was not aware that purchases made over and above the \$50,000 required bids regarding vehicles. It was the impression that only services rendered or work being performed over \$50,000 would need bids. The purchasing of the truck took several months, if not almost a year, to finalize. Due to the economy after the COVID pandemic, it made it very difficult to find and purchase what best fit the needs of the Village. The topic was presented at several council meetings and the decision to purchase this particular truck was made at a "Special Council Meeting" held on November 23, 2022. A motion was made and passed but not stated as an "Emergency measure". The Fiscal Officer will inform the Mayor and Council for the future that purchases made over the \$50,000, no matter what the purchase is for, will also need to be handled as a bid type process, an Ordinance passed either with 3 readings or on an emergency basis. Management is now aware of the issue, and this is not standard practice by the Village. We will work to ensure the proper procedures are followed in the future.

FINDING NUMBER 2022-003

Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village's Auto Permissive fund had budgetary expenditures in excess of appropriations of \$2,588 as of December 31, 2022. The Village's Auto Permissive fund and Park fund had budgetary expenditures in excess of appropriations of \$16,113 and \$1,324, respectively, as of December 31, 2021.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response:

Management is aware and understands the importance of the information presented and will ensure the expenditures and appropriations are closely monitored.

VILLAGE OF METAMORA

P.O. Box 299 • 114 E. Main
 METAMORA, OHIO 43540
 (419) 644-2051 • Fax (419) 644-6801
 metamora@embarqmail.com
 www.metamoraohio.org



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Finding was first issued in the 2016-2015 audit. Material weakness due to a lack of internal controls over the park fundraiser.	Fully corrected.	
2020-002	Finding was first issued in the 2014-2013 audit. Material weakness due to financial statement reporting errors.	Not corrected and repeated as Finding 2022-001 in this report.	As a newly hired Fiscal Officer in 2021, I have now been made aware of the findings first reported in the 2014-2013 audit as well as the 2022-2021 audit and understand the importance of the information presented on the financial statements and will ensure the financial statements are properly presented.
2020-003	Significant deficiency due to lack of bank to book reconciliations being performed in 2020 resulting in fund to fund adjustments.	Fully corrected.	

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF METAMORA

FULTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 12/26/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov