



**VILLAGE OF OBETZ
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF OBETZ
FRANKLIN COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Council Members
Village of Obetz
Franklin County
1611 Chillicothe Street
Obetz, Ohio 43207

We have audited the accompanying financial statements of the Village of Obetz, Franklin County, Ohio, (the Village) as of and for the years ending December 31, 1999 and December 31, 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 audits.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

We were unable to obtain evidential matter to support the Mayor's Court cash receipts stated at \$50,463 and \$41,267 in the Agency Fund for the years ended December 31, 1999 and December 31, 1998, respectively; nor were we able to satisfy ourselves as to these amounts by other auditing procedures.

As described 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, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence supporting the Mayor's Court cash receipts, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Obetz, Franklin County, Ohio, as of December 31, 1999 and December 31, 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 June 30, 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 management, Council and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

June 30, 2000

VILLAGE OF OBETZ
FRANKLIN COUNTY

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

					(Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Total
Cash Receipts:					
Local Taxes	\$2,403,737	\$9,526	\$480,000	\$240,000	\$3,133,263
Intergovernmental Revenue	236,761	188,583	0	252,309	677,653
Charges for Services	18,041	0	0	0	18,041
Fines, Licenses, and Permits	217,675	46,367	0	0	264,042
Interest	110,788	2,078	1,339	18,925	133,130
Miscellaneous	15,381	1,285	0	0	16,666
Total Cash Receipts	<u>3,002,383</u>	<u>247,839</u>	<u>481,339</u>	<u>511,234</u>	<u>4,242,795</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	747,914	95,673	0	0	843,587
Public Health Services	16,853	0	0	0	16,853
Leisure Time Activities	226,725	1,090	0	0	227,815
Community Environment	144,147	0	0	0	144,147
Transportation	229,306	42,398	0	0	271,704
General Government	878,335	0	0	0	878,335
Debt Service:					
Other debt service	0	0	3,407,121	0	3,407,121
Capital Outlay	309,710	78,843	0	438,057	826,610
Total Cash Disbursement	<u>2,552,990</u>	<u>218,004</u>	<u>3,407,121</u>	<u>438,057</u>	<u>6,616,172</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>449,393</u>	<u>29,835</u>	<u>(2,925,782)</u>	<u>73,177</u>	<u>(2,373,377)</u>
Other Financing Receipts/(Disbursements):					
Proceeds from sale of public debt					
Sale of Notes	0	0	2,855,000	0	2,855,000
Advances-In	149,631	0	112,000	0	261,631
Advances-Out	(112,000)	0	0	(45,892)	(157,892)
Other sources	0	0	0	120,900	120,900
Total Other Financing Receipts/(Disbursements)	<u>37,631</u>	<u>0</u>	<u>2,967,000</u>	<u>75,008</u>	<u>3,079,639</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>487,024</u>	<u>29,835</u>	<u>41,218</u>	<u>148,185</u>	<u>706,262</u>
Fund Cash Balances, January 1, 1999	<u>827,580</u>	<u>306,979</u>	<u>86,296</u>	<u>1,071,851</u>	<u>2,292,706</u>
Fund Cash Balances, December 31, 1999	<u>\$1,314,604</u>	<u>\$297,237</u>	<u>\$127,514</u>	<u>\$1,220,036</u>	<u>\$2,998,968</u>
Reserve for Encumbrances, December 31, 1999	<u>\$178,309</u>	<u>\$102,296</u>	<u>\$0</u>	<u>\$1,108,914</u>	<u>\$1,389,519</u>

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

**VILLAGE OF OBETZ
FRANKLIN COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>(Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	<u>Total</u>
Operating Cash Receipts:			
Interest	\$6,736	\$0	\$6,736
Charges for Services	1,767,121	0	1,767,121
Miscellaneous	3,000	0	3,000
Total Operating Cash Receipts	<u>1,776,857</u>	<u>0</u>	<u>1,776,857</u>
Operating Cash Disbursements:			
Personal Services	191,879	0	191,879
Employee Fringe Benefits	65,013	0	65,013
Contractual Services	917,726	55,628	973,354
Supplies and Materials	45,562	0	45,562
Capital Outlay	46,927	1,479	48,406
Miscellaneous	39,932	1,550	41,482
Total Operating Cash Disbursements	<u>1,307,039</u>	<u>58,657</u>	<u>1,365,696</u>
Operating Income/(Loss)	<u>469,818</u>	<u>(58,657)</u>	<u>411,161</u>
Non-Operating Cash Receipts:			
Local taxes	13,565	0	13,565
Fines, Licenses, and Permits	0	66,555	66,555
Mayor's Court	0	50,463	50,463
	<u>13,565</u>	<u>117,018</u>	<u>130,583</u>
Non-Operating Cash Disbursements:			
Debt Service	170,908	0	170,908
Non-Operating Cash Disbursements	0	51,202	51,202
Total Non-Operating Cash Disbursements	<u>170,908</u>	<u>51,202</u>	<u>222,110</u>
Net Cash Receipts over/(under) Cash Disbursements	<u>312,475</u>	<u>7,159</u>	<u>319,634</u>
Fund Cash Balances, January 1, 1999	<u>883,525</u>	<u>40,559</u>	<u>924,084</u>
Fund Cash Balances, December 31, 1999	<u>\$1,196,000</u>	<u>\$47,718</u>	<u>\$1,243,718</u>
Reserve for Encumbrances, December 31, 1999	<u>\$81,535</u>	<u>\$40,933</u>	<u>122,468</u>

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

VILLAGE OF OBETZ
FRANKLIN COUNTY

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

	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only) Total
Cash Receipts:					
Local Taxes	\$2,170,963	\$11,559	\$296,000	\$240,000	\$2,718,522
Intergovernmental Revenue	234,517	229,823	0	49,416	513,756
Special assessments	0	5,693	0	0	5,693
Charges for Services	20,834	0	0	0	20,834
Fine, Licenses, and Permits	96,529	19,825	0	0	116,354
Interest	114,098	975	513	3,338	118,924
Miscellaneous	80,208	3,160	0	0	83,368
Tota Cash Receipts	2,717,149	271,035	296,513	292,754	3,577,451
Cash Disbursements:					
Security of Persons and Property	792,652	1,988	0	0	794,640
Public Health Services	17,071	0	0	0	17,071
Leisure Time Activities	253,901	0	0	0	253,901
Community Environment	77,759	0	0	0	77,759
Basic Utility Services	44,798	0	0	134,317	179,115
Transportation	210,916	34,036	0	0	244,952
General Government	767,151	21	0	0	767,172
Debt Service:					
Principal Payment	0	0	3,397,886	0	3,397,886
Capital Outlay	151,330	48,092	0	952,277	1,151,699
Total Cash Disbursements	2,315,578	84,137	3,397,886	1,086,594	6,884,195
Total Cash Receipts Over/(Under) Cash Disbursements	401,571	186,898	(3,101,373)	(793,840)	(3,306,744)
Other Financing Receipts/(Disbursements):					
Sale of Notes	0	0	3,150,000	0	3,150,000
Transfers-In	79,659	0	0	279,249	358,908
Advances-in	85,549	0	0	208,024	293,573
Transfers-Out	(279,299)	0	0	(79,659)	(358,958)
Advances-out	(242,604)	0	0	(32,423)	(275,027)
Other sources	0	0	0	78,083	78,083
Total Other Financing Receipts/(Disbursements)	(356,695)	0	3,150,000	453,274	3,246,579
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	44,876	186,898	48,627	(340,566)	(60,165)
Fund Cash Balances, January 1, 1998 (As Restated in Note 11)	782,704	120,081	37,669	1,412,417	2,352,871
Fund Cash Balances, December 31, 1998	\$827,580	\$306,979	\$86,296	\$1,071,851	\$2,292,706
Reserve for Encumbrances, December 31, 1998	\$71,718	\$1,978	\$0	\$310,029	\$383,725

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

**VILLAGE OF OBETZ
FRANKLIN COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>(Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	<u>Total</u>
Operating Cash Receipts:			
Charges for services	\$1,591,548	\$0	\$1,591,548
Interest	692	0	692
Miscellaneous	3,692	0	3,692
Total Operating Cash Receipts	<u>1,595,932</u>	<u>0</u>	<u>1,595,932</u>
Operating Cash Disbursements:			
Personal Services	198,562	0	198,562
Travel Transportation	60,383	0	60,383
Contractual Services	748,950	50,365	799,315
Supplies and Materials	38,041	0	38,041
Capital Outlay	170,000	0	170,000
Miscellaneous	15,649	1,070	16,719
Total Operating Cash Disbursements	<u>1,231,585</u>	<u>51,435</u>	<u>1,283,020</u>
Operating Income/(Loss)	<u>364,347</u>	<u>(51,435)</u>	<u>312,912</u>
Non-Operating Cash Receipts:			
Fines, Licenses, & Permits	0	89,191	89,191
Mayor's Court	0	41,267	41,267
Total Non-Operating Cash Receipts	<u>0</u>	<u>130,458</u>	<u>130,458</u>
Non-Operating Cash Disbursements:			
Debt Service	270,626	0	270,626
Other Non-Operating Cash Disbursements	0	39,512	39,512
Total non-operating cash disbursements	<u>\$270,626</u>	<u>\$39,512</u>	<u>\$310,138</u>
Excess of Receipts Over/(Under) Disbursements before Interfund Transfers	93,721	39,511	133,232
Transfers-In	0	87	87
Advances-in	34,579	0	34,579
Transfers-out	(37)	0	(37)
Advances-out	(34,579)	0	(34,579)
Net Receipts Over/(Under) Disbursements	93,684	39,598	133,282
Fund Cash Balances, January 1, 1998 (As Restated in Note 11)	<u>789,841</u>	<u>961</u>	<u>790,802</u>
Fund Cash Balances, December 31, 1998	<u>\$883,525</u>	<u>\$40,559</u>	<u>\$924,084</u>
Reserve for Encumbrances, December 31, 1998	<u>\$178,903</u>	<u>\$39,817</u>	<u>218,720</u>

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

**VILLAGE OF OBETZ
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Obetz, Franklin County, Ohio, (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, sewer, and police service.

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

Cash and Investments, comprising of an overnight sweep account, are accounted for and presented in the footnotes at cost.

Investments are reported as assets. Accordingly, purchase 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 fund types:

General Fund

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

Special Revenue Funds

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

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

**VILLAGE OF OBETZ
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Special Revenue Funds

COPS Fast Fund - This fund receives federal grant monies from the U.S. Department of Justice for the hiring of two full- time officers.

Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness . The Village had the following Debt Service Fund:

General Obligation Fund- This fund receives tax money and is used to satisfy general debt obligations of the Village.

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:

Creekside Road and Storm Sewer Fund - This fund was used for the expenditures associated with a storm sewer line and road construction at the Creekside Industrial Park.

West Obetz Storm Sewer Fund - This fund was used for the expenditures associated with Phase I and II of a sewer improvement project.

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

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

Fiduciary Funds (Agency Funds)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Mayor's Court - This fund received monies for fees and fines related to traffic offenses.

Engineering Civil Review and Inspections - This fund receives monies for permits related to engineering and civil reviews on new construction for residential and commercial properties.

**VILLAGE OF OBETZ
FRANKLIN COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control, and appropriations may not exceed estimated resources. The Village 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.

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.

Encumbrances

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

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.

**VILLAGE OF OBETZ
FRANKLIN COUNTY**

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

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:

	1999	1998
Demand Deposits	\$74,441	\$130,458
Total deposits	74,441	130,458
Repurchase Agreements	4,168,245	3,086,332
Total investments	4,168,245	3,086,332
Total deposits and investments	\$4,242,686	\$3,216,790

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: The overnight sweep account is held in the name of the Village's financial institution and is either collateralized by a specific security pledged by the financial institution or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

1999 Budgeted VS. Actual Receipts

	Receipts		
Fund Type	Budgeted	Actual	Variance
General	\$2,642,518	\$3,002,383	\$359,865
Special Revenue	231,602	247,839	16,237
Debt Service	480,000	3,336,339	2,856,339
Capital Projects	1,064,206	632,134	(432,072)
Enterprise	1,594,085	1,790,422	196,337
Total	\$6,012,411	\$9,009,117	\$2,996,706

**VILLAGE OF OBETZ
FRANKLIN COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted VS. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,375,144	\$2,731,299	\$643,845
Special Revenue	413,264	320,299	92,965
Debt Service	560,000	3,407,121	(2,847,121)
Capital Projects	1,570,079	1,546,972	23,107
Enterprise	1,878,333	1,559,483	318,850
Total	<u>\$7,796,820</u>	<u>\$9,565,174</u>	<u>(\$1,768,354)</u>

1998 Budgeted VS. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$5,956,884	\$2,796,808	(\$3,160,076)
Special Revenue	125,000	271,035	146,035
Debt Service	384,000	3,446,513	3,062,513
Capital Projects	2,250,000	650,086	(1,599,914)
Enterprise	953,000	1,595,932	642,932
Total	<u>\$6,539,604</u>	<u>\$8,760,374</u>	<u>(\$908,510)</u>

**VILLAGE OF OBETZ
FRANKLIN COUNTY**

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

3. BUDGETARY ACTIVITY

1998 Budgeted VS. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,026,829	\$2,666,595	\$360,234
Special Revenue	144,250	86,115	58,135
Debt Service	144,000	3,397,886	(3,253,886)
Capital Projects	2,587,400	2,010,865	576,535
Enterprise	3,693,056	1,681,151	2,011,905
Total	<u><u>\$9,595,535</u></u>	<u><u>\$9,842,612</u></u>	<u><u>(\$247,077)</u></u>

The preceding budgetary presentations represent Council approved appropriations and estimated resources for fiscal years 1999 and 1998.

The Village expended monies in excess of appropriations which was not in compliance with Ohio Rev. Code Section 5705.41 (B).

The Council appropriated funds in excess of available resources which was not in compliance with Ohio Rev. Code Section 5705.39.

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.

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.

**VILLAGE OF OBETZ
FRANKLIN COUNTY**

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loans	\$1,905,033	6%
Special Assessment Bonds	14,000	10%
General Obligation Bonds	450,000	5%
Total	\$2,369,033	

The Ohio Water Development Authority (OWDA) loans relates to the construction of water and sewer lines at Creekside Industrial Park. The OWDA has approved up to \$2,049,359 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$90,209, including interest, over 20 years. The scheduled payment amount below assumes that \$2,049,359 will be borrowed. The schedule payment will be adjusted to reflect any revisions in amounts actually borrowed. The repayment of these notes will be funded by water and sewer user charges.

In 1993, the Village issued General Obligation Bonds totaling \$975,000 which relates to the improvement of the sewer system, streets, and to acquire real property for parks and recreation. The bonds will be repaid over 10 years, including interest. The bonds are secured by the full faith and credit of the Village General Fund.

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

Year Ending December 31	OWDA Loans	General Obligation Bonds	Special Assessment Bonds
2000	\$180,417	\$127,275	\$6,800
2001	180,417	127,078	5,200
2002	180,417	126,632	4,800
2003	180,417	125,940	4,400
2004	180,417		
Subsequent	2,255,847		
Total	\$3,157,932	\$506,925	\$21,200

**VILLAGE OF OBETZ
FRANKLIN COUNTY**

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

5. DEBT (Continued)

The Village has short-term debt in the form of Notes payable to Huntington Bank.

At December 31, 1999, the Village had two short-term Bond Anticipation Notes outstanding totaling \$2,855,000. On June 15, 1999, a \$455,000 Note was issued at a 3.70% interest rate. The proceed was issued for the purpose of paying costs of acquiring real property needed for improving and widening a portion of Alum Creek Drive and improving Obetz Memorial Park for recreational purposes, including site preparation and landscaping. Also on June 15, 1999 a \$2,400,000 Note was issued at a 3.70% interest rate. The proceed was issued for the purpose of paying costs of constructing, widening, curbing, paving, and otherwise improving Toy Road, Alum Creek Drive, Rohr Road and other streets within the Village. The Village has the authority to issue bonded debt to retire these issuances.

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement 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, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.50% of their wages. PERS members contributed 8.50% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Village 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
- Boiler

The Village also provides health insurance through Central Ohio Health Care Consortium. Dental and vision coverage are provided to full-time employees through a private carrier. Premium payments are made contractually to the provider by the Village for this coverage.

**VILLAGE OF OBETZ
FRANKLIN COUNTY**

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

8. CONDUIT DEBT OBLIGATIONS

The Village of Obetz has issued Industrial Revenue Bonds to provide financial assistance to Dennis Enterprises Limited Partnership and HFI Incorporated, (the borrower) for the acquisition, renovation, constructing, equipping and installing the borrower's manufacturing facility which is deemed to be in the public interest. The bonds are payable solely from payments of the borrower's. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 1999, the Industrial Revenue Bonds outstanding were an aggregate principal amount of \$1.255 million.

9. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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

Council Members
Village of Obetz
Franklin County
116 Chillicothe Street
Obetz, Ohio 43207

We have audited the financial statements of the Village of Obetz, Franklin County, Ohio, (the Village) as of and for the years ending December 31, 1999 and December 31, 1998 and have issued our report thereon dated June 30, 2000 which report was qualified for insufficient documentation to support the completeness of the Mayor's Court receipts. Except for the item discussed in the previous sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items **1999-30625-001 through 1999-30625-003**. We also noted certain immaterial instances of noncompliance which we have reported to management of the Village in a separate letter dated June 30, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item **1999-30625-004**.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we considered the reportable condition described above to be a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of the Village in a separate letter dated June 30, 2000.

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



JIM PETRO
Auditor of State

June 30, 2000

**VILLAGE OF OBETZ
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

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

Finding Number	1999-30625-001
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Expenditures in excess of Appropriations

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

In 1998, expenditures exceeded appropriations at year end in the following funds :

Fund	Expenditures	Appropriations	Variance
Parks and Recreation	\$15,956	\$0	\$15,956
General Obligation Debt	3,397,886	144,000	3,253,886
Creekside Water/Sewer	134,316	0	134,316
Creekside Road Storm Sewer	708,936	200,000	508,936
Natureworks Grant 1998	267,752	0	267,752
Alum Creek OPWC	269,629	0	269,629
Refuse Operating	133,229	0	133,229
Water Debt Service	101,760	0	101,760
Sewer Debt Service	168,865	0	168,865

In 1999, expenditures exceeded appropriations in the General Obligation Debt Fund by \$2,847,121.

The Council, or their designee, should monitor the budgetary process periodically to ensure expenditures remain within Council approved appropriations. Council should pass appropriations for each applicable fund.

Finding Number	1999-30625-002
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Appropriations Exceeding Available Resources

Ohio Rev. Code Section 5705.39 states that the total appropriation from each fund should not exceed the total estimated revenue(available resources). No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed, referred to as a “ do not exceed” certificate, total official estimate or amended official estimate.

In 1998 and 1999 respectively appropriations exceeded estimated resources at year end in the following funds:

**VILLAGE OF OBETZ
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number	1999-30625-002 (Continued)
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Appropriations Exceeding Available Resources (Continued)

Fund	Appropriations	Estimated Resources	Variance
Creekside Road Storm Sewer	\$200,000	\$0	\$200,000
Improvement Park Land	16,400	0	16,400
Lighting Keith Evans Fields	121,000	0	121,000
Electric Operating	1,725,000	0	1,725,000
Gas Operating	630,000	0	630,000
Electric Debt Service	95,000	0	95,000

Fund	Appropriations	Estimated Resources	Variances
COPS More Federal Grant	\$65,591	\$0	\$65,591
Sewer Operating	468,090	380,903	87,187

The Council, or their designee, should monitor the budgetary process periodically to ensure appropriations remain within estimated resources.

Finding Number	1999-30625-003
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Transfers

Ohio Rev. Code Sections 5705.14, 5705.15, and 5705.16 state that money may be transferred from the general fund to any other fund of the subdivision by resolution of the taxing authority. Except in the case of transfers from the general fund, transfers can be made only by resolution of the taxing authority passed with the affirmative vote of two thirds of the members. Transfers should be approved by Council by ordinance or resolution.

There was no evidence provided to suggest Council approved, via resolution, the 1998 fund transfers totaling \$279,336.

We recommend the Village comply with Ohio Rev. Code Sections 5705.14, 5705.15 and 5705.16.

VILLAGE OF OBETZ
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998
(Continued)

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

Finding Number	1999-30625-004
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Monitoring Delinquent Tickets/Fines and Monitoring Tickets Assigned

The Mayor's Court maintains a manual/computerized collection system and cashbook. Traffic tickets, the primary source document for the court, are numerically assigned in blocks of twenty-five to each officer. The officer does not sign-out these tickets. The Clerk of the Mayor's Court does not reconcile the tickets issued to the tickets returned to the Court, as an issued violation, and the corresponding transaction recorded to the cashbook. Therefore, the completeness, accuracy of the cashbook could be compromised and is undeterminable. By not monitoring ticket issuance, the Court can not ensure all transactions are reflected in the cashbook, all issued tickets are accounted for, and all unpaid tickets/delinquent accounts are collected.

We recommend the Court reconcile the ticket issued to those recorded in the cashbook. All tickets issued to each officer should be signed out by the officer. Any discrepancies should be investigated.



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VILLAGE OF OBETZ

FRANKLIN 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
SEPTEMBER 19, 2000**