

VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO

Financial Statements
(Audited)

For The Year Ended
December 31, 1999

TRIMBLE, JULIAN & GRUBE, INC.

TJG

**VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO**

Financial Statements
(Audited)

For The Year Ended
December 31, 1999

JOHN STECHSCHULTE, CLERK

VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO

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Members of Council
Village of Minster
29 South Hanover Street
Minster, Ohio 45865

We have reviewed the Independent Auditor's Report of the Village of Minster, Auglaize County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 1999 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Minster is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

June 22, 2000

TRIMBLE, JULIAN & GRUBE, INC.

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Independent Auditor's Report

Members of Council
Village of Minster
29 South Hanover St.
Minster, OH 45865

We have audited the accompanying financial statements of the Village of Minster, Auglaize County, as of and for the year ended December 31, 1999. These financial statements are the responsibility of the Village of Minster's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 2, the Village of Minster prepares its financial statements on the basis of accounting prescribed or permitted by Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances and fund balances of the Village of Minster, as of December 31, 1999, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements for the year then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 10, 2000, on our consideration of the Village of Minster's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.
March 10, 2000

VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO

COMBINED STATEMENT OF FUND BALANCES
ALL FUND TYPES - CASH BASIS
DECEMBER 31, 1999

	<u>1999</u>
<u>Cash and Investments</u>	
Cash and Cash Equivalents	\$ 4,154,037
Investments	<u>1,873,460</u>
Total Cash and Investments	<u>\$ 6,027,497</u>
<u>Fund Balances</u>	
<u>Governmental Funds:</u>	
General Fund	\$ 463,570
Special Revenue Funds	189,500
Debt Service Fund	10,142
Capital Projects Funds	<u>1,431,219</u>
Total Governmental Funds	<u>2,094,431</u>
<u>Proprietary Funds:</u>	
Enterprise Funds	<u>3,933,066</u>
Total Proprietary Funds	<u>3,933,066</u>
Total Fund Balances	<u>\$ 6,027,497</u>

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

**VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO**

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

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash receipts:						
Local taxes	\$ 184,622				\$ 2,208,901	\$ 2,393,523
Intergovernmental	279,579	\$ 129,316				408,895
Special assessments			\$ 45,338	\$ 21,966		67,304
Charges for services	4,378	520				4,898
Fines, licenses, and permits	15,688	1,045				16,733
Interest	217,782	11,211				228,993
Miscellaneous	38,854	1,476		11,500		51,830
Total cash receipts	<u>740,903</u>	<u>143,568</u>	<u>45,338</u>	<u>33,466</u>	<u>2,208,901</u>	<u>3,172,176</u>
Cash disbursements:						
Current:						
Security of persons and property	433,377					433,377
Public health services	859					859
Leisure time activities		158,042				158,042
Community environment	19,639					19,639
Transportation		391,963				391,963
General government	206,266				84,367	290,633
Capital outlay	286,043	35,919		1,167,823		1,489,785
Debt service:						
Principal			33,862	150,000		183,862
Interest			15,839	75,000		90,839
Total cash disbursements	<u>946,184</u>	<u>585,924</u>	<u>49,701</u>	<u>1,392,823</u>	<u>84,367</u>	<u>3,058,999</u>
Total cash receipts over/(under) cash disbursements	<u>(205,281)</u>	<u>(442,356)</u>	<u>(4,363)</u>	<u>(1,359,357)</u>	<u>2,124,534</u>	<u>113,177</u>
Other financing receipts/(disbursements):						
Sale of notes			3,398	33,122		36,520
Transfers-in	847,814	516,000		2,031,720		3,395,534
Transfers-out	(1,311,000)				(2,124,534)	(3,435,534)
Total other financing receipts/(disbursements)	<u>(463,186)</u>	<u>516,000</u>	<u>3,398</u>	<u>2,064,842</u>	<u>(2,124,534)</u>	<u>(3,480)</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	<u>(668,467)</u>	<u>73,644</u>	<u>(965)</u>	<u>705,485</u>	<u>-</u>	<u>109,697</u>
Cash fund balances, January 1, 1999	<u>1,132,037</u>	<u>115,856</u>	<u>11,107</u>	<u>725,734</u>	<u>-</u>	<u>1,984,734</u>
Cash fund balances, December 31, 1999	<u>\$ 463,570</u>	<u>\$ 189,500</u>	<u>\$ 10,142</u>	<u>\$ 1,431,219</u>	<u>\$ -</u>	<u>\$ 2,094,431</u>

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

VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO

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

	Proprietary Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Internal Service	Agency	
Operating cash receipts:				
Charges for services	\$ 5,313,715	\$ 25,295	\$ 205,075	\$ 5,544,085
Total operating cash receipts	<u>5,313,715</u>	<u>25,295</u>	<u>205,075</u>	<u>5,544,085</u>
Operating cash disbursements:				
Personal services	582,841			582,841
Travel transportation	15,706			15,706
Contractual services	3,802,681		205,075	4,007,756
Supplies and material	214,268	25,295		239,563
Capital outlay	<u>228,593</u>			<u>228,593</u>
Total operating cash disbursements	<u>4,844,089</u>	<u>25,295</u>	<u>205,075</u>	<u>5,074,459</u>
Operating income	<u>469,626</u>	-	-	<u>469,626</u>
Nonoperating cash receipts/(disbursements):				
Repayment of interfund loan	150,000			150,000
Interest	75,000			75,000
Other nonoperating receipts			17,855	17,855
Other nonoperating disbursements	(5,439)		(17,855)	(23,294)
Debt service:				
Principal	(57,500)			(57,500)
Interest	<u>(23,930)</u>			<u>(23,930)</u>
Total nonoperating cash receipts/(disbursements)	<u>138,131</u>	-	-	<u>138,131</u>
Excess of receipts over disbursements before interfund transfers	<u>607,757</u>	-	-	<u>607,757</u>
Interfund transfers				
Transfers-in	<u>40,000</u>			<u>40,000</u>
Net transfers	<u>40,000</u>	-	-	<u>40,000</u>
Net receipts over disbursements after interfund transfers	647,757	-	-	647,757
Cash fund balances, January 1, 1999	<u>3,285,309</u>	-	-	<u>3,285,309</u>
Cash fund balances, December 31, 1999	<u>\$ 3,933,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,933,066</u>

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

VILLAGE OF MINSTER
 AUGLAIZE COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND ENCUMBRANCES COMPARED WITH EXPENDITURE
 AUTHORITY - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1999

Fund Types	Receipts										Variance Favorable (Unfavorable)
	Budget	Actual 1999 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	1999 Appropriations	Total	Actual 1998 Disbursements	Encumbrances Outstanding at 12/31/99	Total	Variance Favorable (Unfavorable)	
Governmental:											
General	\$ 1,774,179	\$ 1,588,717	\$ (185,462)	\$ -	\$ 2,524,568	\$ 2,524,568	\$ 2,257,184	\$ -	\$ 2,257,184	\$ 267,384	
Special Revenue	626,700	659,568	32,868	-	689,800	689,800	585,924	-	585,924	103,876	
Debt Service	49,099	48,736	(363)	-	50,093	50,093	49,701	-	49,701	392	
Capital Project	2,204,175	2,098,308	(105,867)	-	2,010,070	2,010,070	1,392,823	-	1,392,823	617,247	
Proprietary:											
Enterprise	5,857,000	5,578,715	(278,285)	-	5,961,300	5,961,300	4,930,958	-	4,930,958	1,030,342	
Internal Service	30,000	25,295	(4,705)	-	30,000	30,000	25,295	-	25,295	4,705	
Fiduciary:											
Expendable Trust	2,300,000	2,208,901	(91,099)	-	2,300,000	2,300,000	2,208,901	-	2,208,901	91,099	
Total	\$ 12,841,153	\$ 12,208,240	\$ (632,913)	\$ -	\$ 13,565,831	\$ 13,565,831	\$ 11,450,786	\$ -	\$ 11,450,786	\$ 2,115,045	

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

**VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of Minster ("the Village") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Village operates under a council-mayor form of government and provides the following services: fire and police protection, water, electric, sewer, waste, street maintenance and repair, as well as other general government services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village officials have direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Village's accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Village are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Village.

GOVERNMENTAL FUNDS

General Fund

The general fund is used to account for all activities of the Village not required to be included 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 are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Village had the following significant Special Revenue Funds:

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

State Highway Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village State Highways.

Parks and Recreation Fund - This fund receives fees to maintain the Village's parks.

COPS FAST Grant - This fund receives monies for the Village police department's project.

Debt Service Funds

These funds are used to accumulate resources for the payment of indebtedness.

Other Debt Service - This fund accumulates resources for the payment of Special Assessment notes and bonds.

Capital Projects 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 Projects Funds.

Capital Improvement Fund - This fund provides monies for the purchase of large equipment, vehicles, and buildings for the Village.

Paris/First Street Fund - This fund provides monies for the Paris/First Street project.

VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Enterprise Funds

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

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

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

Electric Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Internal Service Funds

These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis. The Village had the following significant internal service fund:

Gas Internal Fund - This fund receives monies from Village departments to cover the cost of gasoline purchased by the Village.

Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Income Tax Fund - This fund receives monies from collections on the Village's 1.5% income tax imposed. Funds collected are used in both general operations of the Village and for capital expenditures and maintenance and repairs as required.

VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Mayor's Court - This fund receives monies from collections on fines imposed from tickets issued by the Village's police protection force. Funds are collected in part on behalf of the State of Ohio. In addition, funds are used for safety programs, computerization and general Village operations.

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. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the item level within each fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council. Several budgetary modifications were legally enacted during 1999.

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds are legally required to be budgeted. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determines that receipts collected will be greater than or less than the prior estimates, and the Budget Commission finds the revised estimates to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The Village legally adopted several supplemental appropriations during the year.

Encumbrances:

As part of the formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. There were no outstanding encumbrances at December 31, 1999.

**VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. CASH AND CASH EQUIVALENTS

For reporting purposes, the Village considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Village totaled \$303,993 for the year ended December 31, 1999.

E. PROPERTY, PLANT AND EQUIPMENT

Fixed assets are not capitalized in any of the Village's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

F. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village's cash basis method of accounting.

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 basis of accounting used by the Village.

H. INTERFUND TRANSACTIONS

During the course of normal operations, the Village had transactions between funds. The most significant include transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers.

**VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. TOTAL COLUMNS ON FINANCIAL STATEMENTS

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

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains individual cash balances in bank accounts and short-term cash equivalents classified as "Cash and Cash Equivalents" on the Statement of Fund Balances.

A. LEGAL REQUIREMENTS

Statutes require the classifications of funds held by the Village into three categories:

Category 1 consists of active funds - those funds required to be kept in a cash or cash equivalent status for immediate use by the Village. Such funds must be maintained either as cash in the Village treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of inactive funds - those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Inactive funds may be invested or deposited in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any Federal government agency, or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio).

The Village may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default principal, interest or coupons;
3. Obligations to the Village.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Historically, the Village has not purchased these types of investments or issued these types of notes. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village and must be purchased with the expectation that it will be held to maturity.

VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

B. CASH AND INVESTMENTS

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

	<u>1999</u>
Deposits:	
Demand deposits	\$4,154,037
Investments:	
Repurchase agreement	<u>1,873,460</u>
Total deposits and investments	<u>\$6,027,497</u>

C. DEPOSITS

For the year ended December 31, 1999, the carrying amount of the Village's deposits was \$4,154,037, and the bank balance was \$4,498,150. Of the bank balance:

1. \$200,000 was covered by federal depository insurance for 1999.
2. \$4,298,150 was covered by collateral held by third party trustees pursuant to Section 135.181, Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions for 1999.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

**VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

D. INVESTMENTS

For the year ended December 31, 1999, the Village held investments of repurchase agreements which are uninsured and unregistered investments in which the securities are held by the counterparty's trust department or agent in the Village's name. The market value of the repurchase agreements was approximately the same as the carrying value.

NOTE 4 - DEBT OBLIGATIONS

At December 31, 1999, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 1999</u>
1992 Street Improvement Special Assessment Bonds, due in semiannual payments on June 1 and December 1 through 2002 at a rate of 5.25%.	\$ 30,000
1993 Street Improvement Special Assessment Bonds, due in semiannual payments on June 1 and December 1 through 2003 at a rate of 4.95%.	16,000
1994 Street Improvement Special Assessment Bonds, due in semiannual payments on June 1 and December 1 through 2004 at a rate of 5.70%.	35,000
1993/1994 Sidewalks Special Assessment Note, due in semiannual payments on February 6 and August 20 through 2000 at a rate of 5.2%.	3,399
1994 Third Street Special Assessment Note, due in semiannual payments on February 1 and August 1 through 2005 at a rate of 5.5%.	33,000

VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 4 - DEBT OBLIGATIONS - (Continued)

<u>Description</u>	<u>Balance at December 31, 1999</u>
1995 Street Projects Special Assessment Note, due in semiannual payments on February 21 and August 21 through 2006 at a rate of 5.7%.	\$ 22,136
1997 Parkview Sidewalks Special Assessment Note, due in semiannual payments on June 4 and December 4 through 2007 at a rate of 6.45%.	6,074
1998 First-Hanover Street Special Assessment Note, due in semiannual payments on June 29 and December 29 through 2008 at a rate of 5.25%.	38,342
1996 Equalization Basin General Obligation Note, due in semiannual payments on May 13 and November 13 through 2006 at a rate of 5.55%.	402,500
Interfund Loan from the Electric Fund to the Capital Improvement Fund, due in annual installments of \$150,000 at a rate of 5%.	<u>1,350,000</u>
Total debt obligations at December 31, 1999	<u>\$1,936,451</u>

The principal and interest requirements to retire the debt obligations outstanding at December 31, 1999, are as follows:

	<u>Special Assessment Bonds</u>		<u>Special Assessment Notes</u>		<u>General Obligation Notes</u>		<u>Interfund Loan</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2000	\$21,000	\$ 4,364	\$ 16,241	\$ 5,472	\$ 57,500	\$20,743	\$ 150,000	\$67,500	\$244,741	\$ 98,079
2001	21,000	3,240	13,098	4,587	57,500	17,552	150,000	60,000	241,598	85,379
2002	21,000	2,120	13,368	3,861	57,500	14,361	150,000	52,500	241,868	72,842
2003	11,000	996	13,654	3,123	57,500	11,169	150,000	45,000	232,154	60,288
2004	7,000	400	13,955	2,369	57,500	7,978	150,000	37,500	228,455	48,247
Subsequent			<u>32,635</u>	<u>2,882</u>	<u>115,000</u>	<u>6,383</u>	<u>600,000</u>	<u>75,000</u>	<u>747,635</u>	<u>84,265</u>
Total	<u>\$81,000</u>	<u>\$11,120</u>	<u>\$102,951</u>	<u>\$22,294</u>	<u>\$402,500</u>	<u>\$78,186</u>	<u>\$1,350,000</u>	<u>\$337,500</u>	<u>\$1,936,451</u>	<u>\$449,100</u>

VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 5 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the County. 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.* Real property taxes are payable annually or semiannually to the County. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

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

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

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

NOTE 6 - LOCAL INCOME TAX

This locally levied tax of 1.5% applies to gross salaries, wages and other personal service compensation earned by residents both in and out of the Village and to earnings of nonresidents (except certain transients) earned in the Village. It also applies to the net income of business organizations located within the Village. Tax receipts are credited to the Village and amounted to \$2,208,901 in 1999.

NOTE 7 - RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other 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 post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 7 - RETIREMENT SYSTEMS - (Continued)

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

NOTE 8 - RISK MANAGEMENT

The Village is insured through the Ohio Government Risk Management Plan. The Plan assumes the risk of loss up to the limits of the Village's policy. The following risks are covered under the plan; Property, Liability, Wrongful Acts, Law Enforcement, Automobile, Bond, Crime, Inland Marine, Fire Vehicle RC, EDP, Governmental Medical Liability, Employee Benefits Liability, and Automobile Liability, all with various deductibles. Boiler coverage has been obtained through a commercial carrier.

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

NOTE 9 - CONTINGENT LIABILITY

LITIGATION

The Village is currently not involved in litigation that the Village's legal counsel anticipates a loss.

NOTE 10 - JOINT VENTURES WITH EQUITY INTEREST

During the year December 31, 1999, the Village was part of the following joint venture:

Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV 5) - A group of forty-two municipalities have entered into a joint venture for constructing, installing, and operating a 42 megawatts (MW) hydroelectric generator and related facilities at the Belleville locks and dam on the Ohio River. The Village has a 1.99 percent participant ownership interest in OMEGA JV 5. For the year ended December 31, 1999, the Village's equity in the joint venture was \$47,736. Bonds issued by the joint venture are retired through the municipalities' payments for the monthly energy usage. Complete separate financial statements may be obtained from OMEGA JV 5, c/o Robert Trippe, Vice President and CEO, AMP-Ohio, 2600 Airport Drive, Columbus, Ohio, 43219.

VILLAGE OF MINSTER
AUGLAIZE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 11 - COMMITMENT

Gorsuch Station Sales Contract - The Village has entered into a power sales contract to purchase 1.786 MW of capacity from AMP-Ohio until current and subsequent Gorsuch Station bond issues have been retired. The bonds are retired through user fees charged by the municipalities. Forty-five other municipalities are also participating in this contract at varying amounts of purchase commitments. Under this contract, the Village is obligated to purchase power at a rate determined by AMP-Ohio as long as power is being delivered.

TRIMBLE, JULLAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of Council
Village of Minster
29 South Hanover St.
Minster, OH 45865

We have audited the financial statements of the Village of Minster, Auglaize County, as of and for the year ended December 31, 1999, and have issued our report thereon dated March 10, 2000. We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Minster's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain instances of noncompliance that we have reported to management of the Village in a separate letter dated March 10, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Minster's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the management of the Village in a separate letter dated March 10, 2000.

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

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.
March 10, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
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800-282-0370

Facsimile 614-466-4490

VILLAGE OF MINSTER

AUGLAIZE COUNTY

CLERK'S CERTIFICATION

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

By: *Susan Babbitt*

Date: JULY 6, 2000