

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY  
Regular Audit  
For the Years Ended December 31, 2010 and 2009**

***Perry & Associates***  
Certified Public Accountants, A.C.





# Dave Yost • Auditor of State

Village Council  
Village of Matamoras  
800 Grandview Avenue  
Matamoras, Ohio 45767

We have reviewed the *Independent Accountants' Report* of the Village of Matamoras, Washington County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2009 through December 31, 2010. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Matamoras is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 29, 2011

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**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

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**INDEPENDENT ACCOUNTANTS' REPORT**

June 29, 2011

Village of Matamoras  
Washington County  
800 Grandview Avenue  
Matamoras, OH 45767

To the Village Council:

We have audited the accompanying financial statements of **Village of Matamoras**, Washington County, Ohio, (the Village) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of the State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2010 and 2009 or its changes in financial position or cash flows where applicable for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrance of Village of Matamoras, Washington County, Ohio, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2011, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.



**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$ 21,452	\$ 5,074	\$ 26,526
Intergovernmental	49,925	48,166	98,091
Charges for Services	-	40	40
Fines, Licenses, and Permits	13,474	710	14,184
Earnings on Investments	1,747	-	1,747
Miscellaneous	9,124	1,046	10,170
	<u>95,722</u>	<u>55,036</u>	<u>150,758</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	36,969	965	37,934
Public Health Service	1,905	-	1,905
Leisure Time Activities	8,152	-	8,152
Basic Utility Services	6,401	-	6,401
Transportation	-	37,292	37,292
General Government	49,045	2,205	51,250
Capital Outlay	5,856	-	5,856
Debt Service:			
Redemption of Principal	1,176	-	1,176
	<u>109,504</u>	<u>40,462</u>	<u>149,966</u>
<b>Total Cash Disbursements</b>			
Total Cash Receipts Over/(Under) Disbursements	<u>(13,782)</u>	<u>14,574</u>	<u>792</u>
<b>Other Financing Receipts:</b>			
Debt Proceeds	<u>3,925</u>	<u>-</u>	<u>3,925</u>
	<u>3,925</u>	<u>-</u>	<u>3,925</u>
<b>Total Other Financing Receipts</b>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(9,857)	14,574	4,717
Fund Cash Balances, January 1	<u>51,108</u>	<u>61,390</u>	<u>112,498</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 41,251</b></u>	<u><b>\$ 75,964</b></u>	<u><b>\$ 117,215</b></u>
Reserve for Encumbrances, December 31	<u>\$ 424</u>	<u>\$ -</u>	<u>\$ 424</u>

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

**VILLAGE OF MATAMORAS  
WASHINGTON 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, 2010**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 295,683	\$ -	\$ 295,683
Total Operating Receipts	<u>295,683</u>	<u>-</u>	<u>295,683</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	113,872	-	113,872
Fringe Benefits	16,297	-	16,297
Contractual Services	61,244	-	61,244
Supplies and Materials	75,075	-	75,075
Total Operating Cash Disbursements	<u>266,488</u>	<u>-</u>	<u>266,488</u>
Operating Income (Loss)	<u>29,195</u>	<u>-</u>	<u>29,195</u>
<b>Non-Operating Cash Receipts/(Disbursements):</b>			
Other Debt Proceeds	5,983		5,983
Miscellaneous Receipts	3,013	-	3,013
Other Non-Operating Cash Receipts	-	9,327	9,327
Other Non-Operating Cash Disbursements	-	(8,301)	(8,301)
Redemption of Principal	(19,928)	-	(19,928)
Interest and Fiscal Charges	(2,846)	-	(2,846)
Total Non-Operating Cash Receipts/(Disbursements)	<u>(13,778)</u>	<u>1,026</u>	<u>(12,752)</u>
Net Receipts Over/(Under) Cash Disbursements	15,417	1,026	16,443
Fund Cash Balances, January 1	<u>391,624</u>	<u>267</u>	<u>391,891</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 407,041</u></b>	<b><u>\$ 1,293</u></b>	<b><u>\$ 408,334</u></b>
Reserve for Encumbrances, December 31	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 66</u>

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

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$ 21,719	\$ -	\$ 21,719
Special Assessments	1,099	-	1,099
Intergovernmental	49,498	36,416	85,914
Fines, Licenses, and Permits	8,136	410	8,546
Earnings on Investments	2,253	-	2,253
Miscellaneous	6,723	-	6,723
	<u>89,428</u>	<u>36,826</u>	<u>126,254</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	41,381	784	42,165
Public Health Service	1,803	87	1,890
Leisure Time Activities	968	1,400	2,368
Basic Utility Services	3,482	-	3,482
Transportation	-	25,827	25,827
General Government	46,622	994	47,616
Capital Outlay	4,003	-	4,003
	<u>98,259</u>	<u>29,092</u>	<u>127,351</u>
<b>Total Cash Disbursements</b>			
Total Cash Receipts Over/(Under) Disbursements	<u>(8,831)</u>	<u>7,734</u>	<u>(1,097)</u>
<b>Other Financing (Disbursements):</b>			
Advances-Out	<u>(5,155)</u>	<u>-</u>	<u>(5,155)</u>
<b>Total Other Financing (Disbursements)</b>	<u>(5,155)</u>	<u>-</u>	<u>(5,155)</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(13,986)	7,734	(6,252)
Fund Cash Balances, January 1	<u>65,094</u>	<u>53,656</u>	<u>118,750</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 51,108</b></u>	<u><b>\$ 61,390</b></u>	<u><b>\$ 112,498</b></u>
Reserve for Encumbrances	<u>\$ 782</u>	<u>\$ 147</u>	<u>\$ 929</u>

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

**VILLAGE OF MATAMORAS  
WASHINGTON 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, 2009**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 296,737	\$ -	\$ 296,737
Total Operating Revenues	<u>296,737</u>	<u>-</u>	<u>296,737</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	105,500	-	105,500
Employee Fringe Benefits	15,692	-	15,692
Contractual Services	75,117	-	75,117
Supplies and Materials	79,714	-	79,714
Total Operating Cash Disbursements	<u>276,023</u>	<u>-</u>	<u>276,023</u>
Operating Income (Loss)	<u>20,714</u>	<u>-</u>	<u>20,714</u>
<b>Non-Operating Cash Receipts/(Disbursements):</b>			
Other Debt Proceeds	182,002	-	182,002
Miscellaneous Receipts	713	-	713
Other Non-Operating Cash Receipts	-	4,995	4,995
Other Non-Operating Cash Disbursements	-	(5,681)	(5,681)
Capital Outlay	(136,977)	-	(136,977)
Redemption of Principal	(7,079)	-	(7,079)
Interest and Fiscal Charges	(2,742)	-	(2,742)
Total Non-Operating Cash Receipts/(Disbursements)	<u>35,917</u>	<u>(686)</u>	<u>35,231</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers/Advances	56,631	(686)	55,945
Advances-In	<u>5,155</u>	<u>-</u>	<u>5,155</u>
Net Receipts Over/(Under) Cash Disbursements	61,786	(686)	61,100
Fund Cash Balances, January 1 (Restated - See Note 9)	<u>329,838</u>	<u>953</u>	<u>330,791</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 391,624</u></b>	<b><u>\$ 267</u></b>	<b><u>\$ 391,891</u></b>
Reserve for Encumbrances, December 31	<u>\$ 2,029</u>	<u>\$ -</u>	<u>\$ 2,029</u>

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

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Matamoras, Washington County, Ohio (the Village) as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village maintains the Village's roads and bridges and provides water and sewer utilities and police and fire services.

The Village participates in the Ohio Plan Risk Management, Inc. (OPRM), a risk sharing management program available to Ohio governments. Note 8 to the financial statements provides additional information for this entity.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village 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 Auditor of State prescribes or permits.

**C. Deposits**

The Village maintains its funds in an interest-bearing checking account.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. 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 streets.

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

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

**D. Fund Accounting (Continued)**

**3. 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 Fund:

Water Utility Fund – This fund receives charges for services from residents to cover the costs of providing this utility.

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

**4. Fiduciary Funds (Agency Funds)**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village had the following significant Fiduciary Fund:

Mayor's Court Fund – This Agency Fund receives fines and forfeitures from police department citations. These monies are divided between the Village and the State, as prescribed by law.

**E. Budgetary Process**

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

**1. 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.

**2. Estimated Resources**

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

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

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

**E. Budgetary Process (Continued)**

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated. The Village did not properly encumber all commitments required by Ohio law.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. 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.

**2. EQUITY IN POOLED DEPOSITS**

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2010	2009
Demand deposits	\$ 525,549	\$ 504,389
Total deposits	\$ 525,549	\$ 504,389

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village; or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 89,402	\$ 99,647	\$ 10,245
Special Revenue	51,722	55,036	3,314
Enterprise	347,632	304,679	(42,953)
Total	\$ 488,756	\$ 459,362	\$ (29,394)

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 138,796	\$ 109,928	\$ 28,868
Special Revenue	106,681	40,462	66,219
Enterprise	737,285	289,328	447,957
Total	\$ 982,762	\$ 439,718	\$ 543,044

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 89,900	\$ 89,428	\$ (472)
Special Revenue	48,464	36,826	(11,638)
Enterprise	319,340	479,452	160,112
Total	\$ 457,704	\$ 605,706	\$ 148,002

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 99,041	\$ 99,041	-
Special Revenue	32,800	29,239	3,561
Enterprise	424,850	424,850	-
Total	\$ 556,691	\$ 553,130	\$ 3,561

**4. PROPERTY TAX**

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 homestead and rollback deductions. The financial statements include homestead and rollback 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.

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 MATAMORAS  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2010 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC - CT70E	\$ 3,960	0.00%
OPWC - CT67B	16,111	2.00%
OPWC - CR27G	229,979	2.00%
OPWC - CTA4M	184,716	0.00%
OWDA - 5660	458	4.35%
In-car camera	2,749	4.75%
Total	<u>\$ 437,973</u>	

The prior audit ending balances for the first three OPWC loans were incorrect. These loans were shown with total balances of \$285,180 and they were actually \$274,245.

The Village borrowed \$6,095 from Ohio Public Works Commission (OPWC) for the installation of an ultraviolet light disinfection system. The term of the loan is 20 years, to be amortized in 40 semi-annual payments of \$152, which began on July 1, 2004.

The Village borrowed \$24,900 from OPWC for the replacement of lift stations. The term of the loan is 20 years, to be amortized in 40 semi-annual payments of \$758, which began on July 1, 2003.

The Village borrowed \$292,599 from OPWC for the waste water treatment rehabilitation project. The term of the loan is 20 years, to be amortized in 40 semi-annual payments of \$8,911, which began on July 1, 2006.

The Village borrowed \$187,847 from OPWC for the raw water main replacement. The term of the loan is 30 years, to be amortized in 60 semi-annual payments of \$6,261, which began on July 1, 2010.

The Village opened a loan with Ohio Water Development Authority in 2009. \$128,909 has been encumbered, but only \$458 has actually been spent. The amortization schedule is incomplete.

The Village took out a loan for an in-car police camera in 2010. The loan is due in 2011, but the Village began making payments in 2010.

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**5. DEBT (Continued)**

Amortization of the above debt, including interest but excluding the OWDA and in-car camera loans, is scheduled as follows:

Year ending December 31:	OPWC	OPWC	OPWC	OPWC	Totals
	Loan CT70E	Loan CT67B	Loan CR27G	Loan CTA4M	
2011	\$ 305	\$ 758	\$ 8,911	\$ 6,261	\$ 16,235
2012	305	1,516	17,822	6,261	25,904
2013	305	1,516	17,822	6,261	25,904
2014	305	1,516	17,822	6,261	25,904
2015	305	1,516	17,822	6,261	25,904
2016-2020	1,525	7,580	89,110	31,305	129,520
2021-2025	910	3,791	89,110	31,305	125,116
2026-2030	-	-	8,913	31,305	40,218
2031-2036	-	-	-	31,305	31,305
2037-2040	-	-	-	28,191	28,191
Total	<u>\$ 3,960</u>	<u>\$ 18,193</u>	<u>\$ 267,332</u>	<u>\$ 184,716</u>	<u>\$ 474,201</u>

**6. LEASE**

Lease outstanding at December 31, 2010 was as follows:

	Outstanding
Zero-turn Mower Lease	\$ 7,136
Total	<u>\$ 7,136</u>

In March 2010, the Village entered into a lease agreement with John Deere Credit Company for the lease of a zero-turn mower. Payment terms of the agreement are 42 monthly payments of \$216. The final payment will be due in September, 2013.

**7. RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Police and Fire Pension Fund (OP&F). The Village officials and other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OP&F participants contributed 10% of their wages. For 2010 and 2009, the Village contributed to OP&F an amount equal to 19.5% of police participant wages. For 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2010.

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**8. RISK MANAGEMENT**

**Risk Pool Membership**

Through December 31, 2008, the Village belonged to the Ohio Government Risk Management Plan (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 was legally separate from its member governments.

On January 1, 2009, through an internal reorganization, the Plan created three separate non-profit corporations including:

- Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan;
- Ohio Plan Healthcare Consortium, Inc. (OPHC) - formerly known as the Ohio Healthcare Consortium; and
- Ohio Plan, Inc. - mirrors the oversight function previously performed by the Board of Directors. The Board of Trustees consists of eleven (11) members that include appointed and elected officials from member organizations.

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. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retain 17.5% (15% through October 31, 2009) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 725 members as of December 31, 2009. The Village participates in this coverage.

The Plan formed the Ohio Plan Healthcare Consortium ("OPHC"), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member's healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 60 members as of December 31, 2009. The Village does not participate in this coverage.

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**8. RISK MANAGEMENT (Continued)**

**Risk Pool Membership (Continued)**

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008 (the latest information available), and include amounts for both OPRRM and OPHC:

	<u>2009 OPRM</u>	<u>2009 OPHC</u>	<u>2009</u>	<u>2008</u>
Assets	\$ 11,176,186	\$ 1,358,802	\$ 12,534,988	\$ 10,471,114
Liabilities	(4,852,485)	(1,253,617)	(6,106,102)	(5,286,781)
Members' Equity	<u>\$ 6,323,701</u>	<u>\$ 105,185</u>	<u>\$ 6,428,886</u>	<u>\$ 5,184,333</u>

You can read the complete audited financial statements for OPRM and OPHC at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**9. FUND BALANCE ADJUSTMENTS**

The following adjustment was to record 2008 Mayor's Court activity not included in the prior year financial statements:

	Agency
December 31, 2008 Balance	\$ 1,293
Adjustment	(340)
January 1, 2009 Balance	<u>\$ 953</u>

**10. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require funding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

***Perry & Associates***  
**Certified Public Accountants, A.C.**

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

June 29, 2011

Village of Matamoras  
Washington County  
800 Grandview Avenue  
Matamoras, OH 45767

To the Village Council:

We have audited the financial statements of **Village of Matamoras**, Washington County, Ohio (the Village) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 29, 2011, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be considered significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of audit findings, we identified certain deficiencies in internal control over financial reporting that we consider material weaknesses and another deficiency we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. 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 timely corrected. We consider findings 2010-001 and 2010-003 described in the accompanying schedule of audit findings to be material weaknesses.

### **Internal Control over Financial Reporting**

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. We consider finding 2010-002 described in the accompanying schedule of audit findings to be a significant deficiency.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards*, which is described in the accompanying schedule of audit findings as finding 2010-003.

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 29, 2011.

We intend this report solely for the information and use of management, Village Council and others within the Village. We intend it for no one other than these specified parties.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2010 AND 2009**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2010-001**

**Material Weakness**

**Posting Receipts and Expenditures**

Receipts and expenditures should be posted to the fund and line item accounts as established by Ohio Administrative Code.

During 2010 and 2009, several receipts and expenditures were not posted into accurate classifications based on the source of the receipt or expenditure. The following posting errors were noted:

- Rollback and personal property tax reimbursement receipts were posted as Property and Local Taxes instead of Intergovernmental.
- Mayor's Court activity was not recorded in UAN.
- Debt payments were recorded as Operating Disbursements.
- Note proceeds were not recorded, recorded as Charges for Service, or recorded as Miscellaneous Receipts.
- Revenue from the state was recorded at the wrong percentages.
- Charges for services were recorded as Special Assessments.
- Motor vehicle registration fees were recorded as Fines, Licenses, and Permits instead of Intergovernmental.
- Computer fund revenue was recorded as Special Assessments.
- Capital outlay was not recorded.

Not posting revenues and disbursements accurately resulted in the financial statements requiring several adjustments and reclassifications. The financial statements reflect all reclassifications and adjustments.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenditures are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Village Handbook for guidance to determine the proper establishment of receipt and expenditure accounts and posting of receipts and expenditures.

**Management's Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2010-002**

**Significant Deficiency**

**Posting Estimated Revenues and Appropriations**

The Village did not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Village Council and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system.

This resulted in varying amounts posted to the accounting system and information available to the Village officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate. Adjustments were made to the budgetary activity reported in Note 3 to the financial statements in order to accurately present estimated receipts and appropriations as certified by the County Budget Commission.

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2010 AND 2009**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
--

**FINDING NUMBER 2010-002 (Continued)**

**Significant Deficiency (Continued)**

**Posting Estimated Revenues and Appropriations (Continued)**

We recommend the Village implement procedures to ensure estimated receipts and appropriations are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

**Management's Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2010-003**

**Noncompliance Finding/ Material Weakness**

**Ohio Revised Code Section 733.40** requires, except as otherwise provided in Ohio Revised Code Section 4511.193, all fines, forfeitures, and cost in ordinance cases and all fees collected by the mayor, or which in any manner come into his or her hands, or which are due to such mayor or a marshal, chief of police, or other officer of the municipal corporation, any other fees and expenses which have been advanced out of the treasury of the municipal corporation, and all money received by such mayor for the use of such municipal corporation, shall be paid by court clerk into the Village's treasury on the first Monday of each month.

Mayor's Court activity was not recorded on UAN during either year of operation. The Village brought on the activity through fund balance adjustments, transfers, and memo entries.

These weaknesses could allow recording errors and irregularities to occur and remain undetected. We recommend that the Village record all expenditures and disbursements related to Mayor's Court on the financial statements.

**Management's Response** – We did not receive a response from officials to this finding.



**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	ORC Section 5705.41(B) – Total expenditures exceeding appropriations	Yes	Fully Corrected

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# Dave Yost • Auditor of State

**VILLAGE OF MATAMORAS**

**WASHINGTON 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 8, 2011**