



Dave Yost • Auditor of State

Village of McClure
Henry County

Fiscal Emergency Termination

Local Government Services

Village of McClure, Henry County

Fiscal Emergency Termination

Table of Contents

Certification..... 1

Report on the Termination of the McClure
Financial Planning and Supervision Commission 3

Section 1 - Financial Accounting and Reporting System 4

Section 2 - Correction of Fiscal Emergency Conditions and Current Existence
of Fiscal Emergency Conditions..... 7

Section 3 - Financial Plan Objectives..... 10

Section 4 - Financial Forecast 11

Disclaimer 11

Appendix A
 Village of McClure Financial Forecast
 For the Years Ending December 31, 2013, through December 31, 2017

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Dave Yost • Auditor of State

CERTIFICATION

Pursuant to a request sent to the Auditor of State by the Financial Planning and Supervision Commission of the Village of McClure, the Auditor of State performed an analysis of the Village of McClure to determine whether the Commission and its functions under Chapter 118 of the Ohio Revised Code should be terminated. Based on the analysis, the Auditor of State certifies, as required by Section 118.27 of the Revised Code, that the Village of McClure no longer meets the fiscal emergency conditions set forth in Section 118.03 of the Revised Code, that the objectives of the financial recovery plan are being met, that an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code has been implemented, and that Management has prepared a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State and an opinion has been rendered by the Auditor of State that the financial forecast is considered to be nonadverse. Therefore, the existence of the Financial Planning and Supervision Commission of the Village of McClure and its role in the operation of the Village of McClure is terminated as of October 22, 2013.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted to Dean Dawson, Mayor of the Village of McClure; Rich Vargo, President Pro-Tempore of Village Council; John Kasich, Governor; Timothy Keen, Director of the Office of Budget and Management; Josh Mandel, Treasurer of State; Jon Husted, Secretary of State; and Kevin Garringer, Henry County Auditor.

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

DAVE YOST
Auditor of State

October 22, 2013

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Village of McClure, Henry County

Report on Termination of the Village of McClure
Financial Planning and Supervision Commission

Report on the Termination of the McClure Financial Planning and Supervision Commission

At the request of the Village of McClure Financial Planning and Supervision Commission (the Commission), Henry County, Ohio, as provided by Section 118.27(B) of the Ohio Revised Code, the Auditor of State has performed an analysis in order to determine whether the Commission and its functions under Chapter 118 of the Revised Code should be terminated.

Guidelines for performing such an analysis are set forth in Section 118.27(A) of the Revised Code, which states that:

“A Financial Planning and Supervision Commission with respect to a municipality...and its functions under this chapter shall continue in existence until such time as a determination is made pursuant to division (B) of this section that the municipality...has done all of the following: (1) planned, and is in the process of good faith implementation of, an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code, and it is reasonably expected that such implementation will be completed within two years; (2) corrected and eliminated or has planned and is in the process of good faith implementation of correcting and eliminating all the fiscal emergency conditions determined pursuant to Section 118.04 of the Revised Code, and no new fiscal emergency conditions have occurred...; (3) met the objectives of the financial plan described in Section 118.06 of the Revised Code; and (4) the municipal corporation...prepares a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State...”.

Results of our work under Section 118.27(A) of the Revised Code are as follows:

Pages three through five of the report indicate that the Village has effectively implemented a financial accounting and reporting system in accordance with Section 118.10(A) of the Revised Code.

All fiscal emergency conditions have been corrected and eliminated and no new fiscal emergency conditions exist under Section 118.04 of the Revised Code. This analysis can be found beginning on page six.

We have reviewed the objectives of the financial plan and determined that the Village has met the objectives in accordance with Section 118.06 of the Revised Code. Specific conclusions can be found beginning on page nine.

We examined and issued a non-adverse report on the five-year forecast prepared by the Village. The forecast and our report can be found in Appendix A.

Based on this analysis, the Auditor of State’s Office has determined that the Financial Planning and Supervision Commission and its functions may be terminated.

It is understood that this report’s determination is for the use of the Financial Planning and Supervision Commission of the Village of McClure, the Auditor of State of Ohio, the Governor of Ohio, the Mayor of the Village of McClure, and others as designated by the Auditor of State and is not to be used for any other purpose. Our procedures and findings follow.

Village of McClure, Henry County

Report on Termination of the Village of McClure
Financial Planning and Supervision Commission

Section 1 - Financial Accounting and Reporting System

When a Village is placed in fiscal emergency, the Auditor of State is required to report on the effectiveness of the Village's financial accounting and reporting system. The Auditor of State, in accordance with Section 118.10(A) of the Revised Code assessed the methods, accuracy, and legality of the accounts, records, files, and reports of the Village of McClure (the Village) and issued a Report on Accounting Methods dated March 19, 2013. The report identified areas where the Village's financial accounting and reporting system were not in compliance with Section 117.43 of the Revised Code and the requirements of the Auditor of State.

The criteria for termination of the Commission include a determination by the Auditor of State that an effective financial accounting and reporting system has been implemented, or is in the process of implementation, and is expected to be completed within two years. This determination is based on management providing a summary of the actions taken to address the issues identified in the Report on Accounting Methods. We confirmed whether the actions taken by management were sufficient to correct the issues identified in the Report on Accounting Methods. A summary of each area of noncompliance identified in the Report on Accounting Methods and the status of each corrective action is presented below.

Purchasing Process

Auditor of State Comment from Report on Accounting Methods

The Village does not require new vendors to submit information before a purchase order is completed. The Village should not issue purchase orders to a vendor until all appropriate information about the vendor is received, including an IRS Form W-9.

Implemented

The Village requires all new vendors to submit required information before a purchase order is completed.

Auditor of State Comment from Report on Accounting Methods

The Village currently utilizes blanket purchase orders; however, the Village Council has not established the amounts for blanket purchase orders by resolution.

Implemented

The Village Council has established, by resolution, the amounts for blanket purchase orders.

Payroll Processing

Auditor of State Comment from Report on Accounting Methods

Section 731.13 of the Revised Code requires the legislative authority to set the compensation of all officers, clerks, and employees of the Village. Village Council should set the pay rates of all employees by ordinance.

Village of McClure, Henry County

Report on Termination of the Village of McClure
Financial Planning and Supervision Commission

Implemented

The Village Council set, by ordinance, the compensation of all officers, clerks, and employees of the Village.

Auditor of State Comment from Report on Accounting Methods

The Fiscal Officer is not maintaining adequate personnel files for employees. An individual file must be maintained for each individual including such information as their Form W-4, Form IT-4, and OPERS Personal History Record, as well as pay rate information.

Implemented

The Fiscal Officer has updated all applicable files and is maintaining adequate personnel files.

Inventory of Capital Assets

Auditor of State Comment from Report on Accounting Methods

The Village does not maintain an inventory of capital assets. Without an inventory of capital assets, the Village is unable to determine if there is adequate insurance coverage, whether assets have been lost or stolen, whether idle assets exist that can be sold to generate additional revenue, and whether assets are used in the most efficient manner. The Village should develop an inventory of all capital assets and update it annually. The Village should adopt policies and procedures to account for capital assets and develop an inventory of all capital assets.

Implemented

The Village Council has adopted a policy for capital assets and the Village has an inventory of capital assets.

Cash Management and Investing

Auditor of State Comment from Report on Accounting Methods

The Village is not required to have an investment policy as per section 135.14 of the Revised Code. However, the Village did not file an exemption form with the State Treasurer's office indicating the Fiscal Officer is exempt from the continuing education requirement as specified in Revised Code Section 135.22.

Implemented

The Village filed the exemption form for 2013 on September 4, 2013.

Village of McClure, Henry County

Report on Termination of the Village of McClure
Financial Planning and Supervision Commission

Recording Official Proceedings

Auditor of State Comment from Report on Accounting Methods

The Village has not established rules for the retention and disposal of records as required by Section 149.39 of the Revised Code.

Implemented

The Village Council, by ordinance, has adopted rules for records retention and disposal. The ordinance was approved by Village Council on June 24, 2013, and displayed for public inspection.

Audit Report and Management Letters

The Village Council and Officials receive a compliance and management letter at the conclusion of each annual audit. The letters that accompanied the December 31, 2010, and 2011 audit identified a number of non-compliance issues and material weaknesses as well as recommendations for improving financial record keeping and reporting.

The following discussion outlines the compliance issues and material weaknesses that were identified in the audit report.

1. Expenditures were made that were not for a valid public purpose. A finding for recovery of these resources was made against the applicable individuals.
2. The fiscal officer did not maintain copies of resolutions or sufficient documentation related to amending appropriations. The current fiscal officer for the village is maintaining all copies and documentation related to such amendments.
3. The fiscal officer was not consistently using purchase orders and/or certifying the availability of funds as required by the Ohio Revised Code. The current fiscal officer for the village issues purchase orders and certifies the availability of funds as required by law.
4. Expenditures were made which exceeded authorized appropriations. The current fiscal officer monitors appropriations and only issues checks when sufficient appropriations are authorized and resources are available.
5. The Village was not maintaining sufficient records on taxpayers and/or non-filers and was not taking sufficient action to collect taxes due to the village. In July 2010, the Village joined the Regional Income Tax Agency, a regional council of governments, for income tax administration and collection.
6. Village officials were unable to locate and provide a substantial number of records requested for audit purposes. The Village Council, by ordinance, adopted rules for records retention and disposal on June 24, 2013.
7. Estimated receipts reported in the accounting system differed from amounts approved by the Village Council and submitted to the County Budget Commission. Receipts were not always recorded in the correct fund. The current fiscal officer for the village verifies that all amounts reported in the accounting system are as approved by the Village Council and reviews transactions to ensure they are recorded correctly.

Village of McClure, Henry County

Report on Termination of the Village of McClure
Financial Planning and Supervision Commission

The audit also outlined a number of recommendations for the Village's consideration including the approval procedure for employee vacation and sick leave, cell phones and credit card usage, establishment of an audit committee, development of a disaster recovery plan, and record keeping procedures related to building and zoning permits. The Village is considering measures to address these recommendations. The Village's resolution of these issues and/or recommendations outlined above will be addressed in the Village's next audit. These items will not prevent termination of the Financial Planning and Supervision Commission.

Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions

Under Section 118.27(A)(2) of the Ohio Revised Code, the Village shall have corrected or eliminated or have planned and be in the process of good faith implementation of actions to correct and eliminate all of the fiscal emergency conditions that existed when declared in fiscal emergency and no new fiscal emergency conditions have occurred in order to be terminated from fiscal emergency. Our analysis of the six fiscal emergency conditions described in Section 118 of the Revised Code is presented below:

Condition One - Default on Any Debt Obligation

Section 118.03(A)(1) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a default on any debt obligation for more than thirty days.

The Village had a loan with Huntington Bank at December 31, 2012, with an outstanding balance of \$90,950. All principal and interest payments on this loan were made when due.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(1) of the Revised Code. No default on any debt obligation for more than thirty days existed at December 31, 2012.

Condition Two - Payment of All Payroll

Section 118.03(A)(2) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a failure for lack of cash in the funds to make payment of all payroll to employees of the municipal corporation in the amounts and at the times required by laws, ordinances, resolutions, or agreements, which failure of payment has continued:

- a. For more than thirty days after such time for payment, or
- b. Beyond a period of extension, or beyond the expiration of ninety days from the original time for payment, whichever first occurs, if the time for payment has been extended for more than thirty days by the written consent of at least two-thirds of the employees affected by such failure to pay, acting individually or by their duly authorized representatives.

Village of McClure, Henry County

Report on Termination of the Village of McClure
Financial Planning and Supervision Commission

We reviewed the payroll records of the Village as of December 31, 2012. We reviewed Council minutes, ordinances, resolutions, and had discussions with the Fiscal Officer to determine the employees of the Village, pay rates, frequency of payroll, and whether any extensions for the payment of payroll existed. We reviewed the cancelled checks to determine whether Village employees had been paid within the time specified by Sections 118.03(A)(2)(a) and (b) of the Revised Code. We determined that adequate cash was in the bank account and there was sufficient fund balances to cover payroll.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(2) of the Revised Code as of December 31, 2012. All employees had been paid in amounts and at the times required by ordinance.

Condition Three - Increase in Minimum Tax Levy

Section 118.03(A)(3) of the Revised Code defines a fiscal emergency condition as:

An increase, by action of the county budget commission pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the municipal corporation for the current or next fiscal year which results in a reduction in the minimum levies for one or more other subdivisions or taxing districts.

We confirmed with the Henry County Budget Commission whether there had been an increase, pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the Village for 2011 or 2012, which resulted in a reduction in the minimum levies for one or more other subdivisions or taxing districts. The confirmation received from the Henry County Budget Commission indicated that the Commission had not taken any action for tax year 2011 or 2012 to increase the inside millage of the Village.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(3) of the Revised Code as of December 31, 2012.

Condition Four - Past Due Accounts Payable from the General Fund and all Funds

Section 118.03(A)(4) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which all accounts that, at the end of its preceding fiscal year, were due and payable from the general fund and that either had been due and payable at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities and including any interest and penalties thereon, less the year end balance in the general fund, exceeded one-sixth of the general fund budget for the year, or in which all accounts that, at the end of its preceding fiscal year, were due and payable from all funds of the municipal corporation and that either had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, less the year end balance in the general fund and in the respective special funds lawfully available to pay such accounts, exceeded one-sixth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts lawfully are payable.

Village of McClure, Henry County

Report on Termination of the Village of McClure
Financial Planning and Supervision Commission

We prepared a schedule of accounts payable as of December 31, 2012, for all funds that were due and payable for at least thirty days or to which a penalty had been added for failure to pay as of December 31, 2012, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities including any interest and penalties. There were no payables over thirty days past due in any fund.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(4) of the Revised Code as of December 31, 2012. There were no payables over thirty days past due.

Condition Five - Deficit Fund Balances

Section 118.03(A)(5) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of its preceding fiscal year, less the total of any year end balance in the general fund and in any special fund that may be transferred as provided in Section 5705.14 of the Revised Code to meet such deficit, exceeded one-sixth of the total of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund.

We computed the adjusted aggregate sum of all deficit funds at December 31, 2012, by subtracting all accounts payable and encumbrances from the year end cash fund balance of each fund. No further calculations were necessary because there were no deficit fund balances.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(5) of the Revised Code. There were no deficit fund balances at December 31, 2012.

Condition Six - Treasury Balances

Section 118.03(A)(6) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of the municipal corporation minus outstanding checks and warrants were less in amount than the aggregate of the positive balances of the general fund and those special funds the purposes of which the unsegregated treasury is held to meet and such deficiency exceeded one-sixth of the total amount received into the unsegregated treasury during the preceding fiscal year.

We verified the Village's reconciled bank balance to its statement of cash position by fund for all funds as of December 31, 2012, which included subtracting reconciling factors to arrive at the treasury balance. We then determined the aggregate sum of all positive fund cash balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficit. We subtracted from the treasury deficit one-sixth of the amount received into the treasury during 2012 to determine if a treasury deficiency existed.

Village of McClure, Henry County

Report on Termination of the Village of McClure
Financial Planning and Supervision Commission

Schedule I

Treasury Balance
Ohio Revised Code Section 118.03(A)(6)
As of December 31, 2012

	<u>Amounts at December 31, 2012</u>
Bank Cash Balance	
The Huntington Bank	\$244,729
The Huntington Bank - Certificate of Deposit	4,546
Subtotal	<u>249,275</u>
Outstanding Checks	<u>(7,997)</u>
Total Treasury Balance	<u>241,278</u>
Positive Fund Balances	
General	53,331
Street	25,429
State Highway	16,779
Permissive Motor Vehicle	12,016
Permanent Improvement	85,680
Utility Improvement	29,817
Unclaimed Monies	18,344
Total Positive Fund Balances	<u>241,396</u>
Treasury Deficiency	(118)
One-sixth Treasury Receipts	<u>44,222</u>
Treasury Surplus	<u>\$44,104</u>

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(6) of the Revised Code as of December 31, 2012. The treasury balance less the positive fund cash balances as of December 31, 2012, did not exceed one-sixth of the treasury receipts for the year.

Section 3 - Financial Plan Objectives

We obtained a copy of the financial plan of the Village and determined whether the objectives of the plan have been met. Those objectives identified in the financial plan include the following:

- 1) Eliminate the fiscal emergency conditions which were determined by the Auditor of State, pursuant to Section 118.04 of the Revised Code;
- 2) Balance the budgets, avoid future deficits in any fund, and maintain current payments of all accounts;
- 3) Develop an effective financial accounting and reporting system; and

Village of McClure, Henry County

Report on Termination of the Village of McClure
Financial Planning and Supervision Commission

- 4) Prepare a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State.

All objectives of the financial plan have been met.

Section 4 - Financial Forecast

Financial forecasting is an important management tool to assist the Village in making sound financial decisions for avoiding a fiscal crisis in the future. A five-year forecast is required under Section 118.27(A)(4) of the Revised Code. After examining the financial forecast, the Auditor of State rendered a non-adverse report. The financial forecast is contained in Appendix A.

DISCLAIMER

Because the preceding procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we made an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported herein.

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APPENDIX A

**Village of McClure
Henry County**

Financial Forecast

For the Years Ending December 31, 2013 through December 31, 2017

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Village of McClure, Ohio

Table of Contents

Auditor's Report	A-3
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis For the Years Ended December 31, 2010, through 2012, Actual; and Ending December 31, 2013, through 2017, Forecasted General Fund	A-4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis For the Years Ended December 31, 2010, through 2012, Actual; and Ending December 31, 2013, through 2017, Forecasted Street Construction Fund	A-10
Summary of Significant Accounting Policies and Forecast Assumptions.....	A-12

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Dave Yost • Auditor of State

Village Council
Village of McClure
210 E. North Street
P.O. Box 340
McClure, Ohio 43534-0340

Based upon the requirement set forth in section 118.27(A)(4) of the Ohio Revised Code, the Local Government Services Section of the Auditor of State's Office has examined the accompanying forecasted statement of revenues, expenditures, and changes in fund balance of the various funds of the Village of McClure for the five years ending December 31, 2017. These statements are presented on the budget basis of accounting used by the Village of McClure rather than on generally accepted accounting principles. The Village of McClure's management is responsible for the forecast. Our responsibility is to determine whether the Village has met the criteria that allows for the fiscal emergency to be terminated.

Based on our examination of the accompanying forecast, there is nothing in the forecast nor has anything come to our attention that indicates the fiscal emergency should not be terminated. However, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results of operations during the forecast period will vary from the forecast and the variations may be material.

This report is intended solely for the use of the Village of McClure and the Financial Planning and Supervision Commission of McClure and should not be used for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

DAVE YOST
Auditor of State

September 16, 2013

Village of McClure, Henry County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2010, through 2012, Actual
and Ending December 31, 2013, through 2017, Forecasted

General Fund				
	2010	2011	2012	2013
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecasted</u>
<u>Revenues</u>				
Property Taxes	\$27,510	\$27,410	\$23,940	\$23,950
Income Taxes	65,540	96,300	74,450	75,930
Intergovernmental	30,080	33,890	32,140	16,420
Fees, Licenses, and Permits	4,130	3,890	4,470	4,110
Interest	0	0	0	350
Other	2,300	25,160	8,250	2,000
Total Revenues	<u>129,560</u>	<u>186,650</u>	<u>143,250</u>	<u>122,760</u>
<u>Expenditures</u>				
Security of Persons and Property				
Personal Services	11,950	800	0	0
Fringe Benefits	2,490	0	0	0
Contractual Services	1,210	0	0	0
Supplies and Materials	1,020	0	0	0
Total Security of Persons and Property	<u>16,670</u>	<u>800</u>	<u>0</u>	<u>0</u>
Street Lighting				
Contractual Services	9,680	10,530	11,160	12,050
Security of Persons and Property - Other				
Contractual Services	450	0	0	0
Leisure Time Activities				
Contractual Services	1,980	2,280	1,680	1,800
Zoning				
Personal Services	1,110	0	0	0
Fringe Benefits	280	60	100	0
Total Zoning	<u>1,390</u>	<u>60</u>	<u>100</u>	<u>0</u>
General Government				
Mayor				
Personal Services	1,000	1,000	1,100	1,000
Fringe Benefits	420	390	510	200
Total Mayor	<u>1,420</u>	<u>1,390</u>	<u>1,610</u>	<u>1,200</u>
Council				
Personal Services	3,000	3,000	3,300	3,000
Fringe Benefits	630	490	810	600
Total Council	<u>3,630</u>	<u>3,490</u>	<u>4,110</u>	<u>3,600</u>

2014 Forecasted	2015 Forecasted	2016 Forecasted	2017 Forecasted
\$23,950	\$23,950	\$23,950	\$23,950
77,450	79,000	80,580	82,190
16,420	16,420	16,420	16,420
4,110	4,110	4,110	4,110
500	700	860	940
2,000	2,000	2,000	2,000
124,430	126,180	127,920	129,610
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
13,020	14,060	15,180	16,400
0	0	0	0
1,960	2,110	2,280	2,460
0	0	0	0
0	0	0	0
0	0	0	0
1,000	1,000	1,000	1,000
200	200	200	200
1,200	1,200	1,200	1,200
3,000	3,000	3,000	3,000
600	600	600	600
3,600	3,600	3,600	3,600

(continued)

Village of McClure, Henry County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2010, through 2012, Actual
and Ending December 31, 2013, through 2017, Forecasted
(continued)

General Fund

	2010 Actual	2011 Actual	2012 Actual	2013 Forecasted
Fiscal Officer				
Personal Services	\$14,580	\$16,470	\$11,850	\$9,600
Fringe Benefits	2,480	3,080	2,020	1,980
Contractual Services	2,350	1,000	1,380	1,390
Supplies and Materials	630	350	480	490
Total Fiscal Officer	<u>20,040</u>	<u>20,900</u>	<u>15,730</u>	<u>13,460</u>
Lands/Buildings				
Contractual Services	17,270	11,200	13,740	18,600
Supplies and Materials	380	430	20	100
Total Lands/Buildings	<u>17,650</u>	<u>11,630</u>	<u>13,760</u>	<u>18,700</u>
Property Tax Collection Fees				
Contractual Services	1,940	1,210	710	720
Auditor of State Fees				
Contractual Services	8,830	8,510	27,150	4,100
Solicitor				
Salaries	28,560	18,680	18,970	19,540
Fringe Benefits	5,000	4,040	4,490	3,780
Total Solicitor	<u>33,560</u>	<u>22,720</u>	<u>23,460</u>	<u>23,320</u>
Income Tax Administration				
Contractual Services	0	17,100	0	0
Total General Government	<u>87,070</u>	<u>86,950</u>	<u>86,530</u>	<u>65,100</u>
Debt Service				
Principal Retirement	5,200	4,220	4,830	4,500
Interest and Fiscal Charges	4,240	4,930	3,710	4,900
Total Debt Service	<u>9,440</u>	<u>9,150</u>	<u>8,540</u>	<u>9,400</u>
Total Expenditures	<u>126,680</u>	<u>109,770</u>	<u>108,010</u>	<u>88,350</u>
Excess of Revenues Over Expenditures	<u>2,880</u>	<u>76,880</u>	<u>35,240</u>	<u>34,410</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	49,380	8,900	0	0
Transfers Out	0	(67,200)	0	0
Total Other Financing Sources (Uses)	<u>49,380</u>	<u>(58,300)</u>	<u>0</u>	<u>0</u>

2014 Forecasted	2015 Forecasted	2016 Forecasted	2017 Forecasted
\$9,900	\$10,200	\$10,500	\$10,800
2,040	2,100	2,160	2,220
1,510	1,640	1,780	1,930
500	520	540	550
<u>13,950</u>	<u>14,460</u>	<u>14,980</u>	<u>15,500</u>
19,720	20,900	22,170	23,530
100	110	120	120
<u>19,820</u>	<u>21,010</u>	<u>22,290</u>	<u>23,650</u>
720	730	740	740
<u>10,000</u>	<u>0</u>	<u>11,000</u>	<u>0</u>
20,120	20,730	21,350	21,990
3,890	4,010	4,130	4,260
<u>24,010</u>	<u>24,740</u>	<u>25,480</u>	<u>26,250</u>
0	0	0	0
<u>73,300</u>	<u>65,740</u>	<u>79,290</u>	<u>70,940</u>
4,800	5,100	5,400	5,700
4,600	4,300	4,000	3,700
9,400	9,400	9,400	9,400
<u>97,680</u>	<u>91,310</u>	<u>106,150</u>	<u>99,200</u>
26,750	34,870	21,770	30,410
0	18,350	0	0
0	(3,000)	(5,000)	(15,000)
<u>0</u>	<u>15,350</u>	<u>(5,000)</u>	<u>(15,000)</u>

(continued)

Village of McClure, Henry County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2010, through 2012, Actual
and Ending December 31, 2013, through 2017, Forecasted
(continued)

General Fund

	2010 Actual	2011 Actual	2012 Actual	2013 Forecasted
Changes in Fund Balance	52,260	18,580	35,240	34,410
Fund Balance (Deficit) Beginning of Year	(52,750)	(490)	18,090	53,330
Fund Balance (Deficit) End of Year	(\$490)	\$18,090	\$53,330	\$87,740

See Summary of Significant Accounting Policies and Forecast Assumptions

<u>2014</u> <u>Forecasted</u>	<u>2015</u> <u>Forecasted</u>	<u>2016</u> <u>Forecasted</u>	<u>2017</u> <u>Forecasted</u>
26,750	50,220	16,770	15,410
<u>87,740</u>	<u>114,490</u>	<u>164,710</u>	<u>181,480</u>
<u><u>\$114,490</u></u>	<u><u>\$164,710</u></u>	<u><u>\$181,480</u></u>	<u><u>\$196,890</u></u>

Village of McClure, Henry County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2010, through 2012, Actual
and Ending December 31, 2013, through 2017, Forecasted

Street Construction Fund

	2010 Actual	2011 Actual	2012 Actual	2013 Forecasted
<u>Revenues</u>				
Intergovernmental	\$30,880	\$56,710	\$28,480	\$27,600
Interest	0	0	0	160
Total Revenues	30,880	56,710	28,480	27,760
<u>Expenditures</u>				
Personal Services	12,170	9,590	5,480	10,150
Fringe Benefits	7,640	2,230	1,510	1,750
Contractual Services	1,060	870	4,840	0
Supplies and Materials	3,020	32,900	0	0
Total Expenditures	23,890	45,590	11,830	11,900
Excess of Revenues Over (Under) Expenditures	6,990	11,120	16,650	15,860
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Changes in Fund Balance	6,990	11,120	16,650	15,860
Fund Balance (Deficit) Beginning of Year	(9,330)	(2,340)	8,780	25,430
Fund Balance (Deficit) End of Year	(\$2,340)	\$8,780	\$25,430	\$41,290

See Summary of Significant Accounting Policies and Forecast Assumptions

<u>2014</u> <u>Forecasted</u>	<u>2015</u> <u>Forecasted</u>	<u>2016</u> <u>Forecasted</u>	<u>2017</u> <u>Forecasted</u>
\$27,600	\$27,600	\$27,600	\$27,600
20	20	10	50
<u>27,620</u>	<u>27,620</u>	<u>27,610</u>	<u>27,650</u>
10,460	10,820	11,160	11,520
1,800	1,860	1,920	1,980
30,000	0	0	0
0	0	0	0
<u>42,260</u>	<u>12,680</u>	<u>13,080</u>	<u>13,500</u>
<u>(14,640)</u>	<u>14,940</u>	<u>14,530</u>	<u>14,150</u>
0	3,000	4,000	10,000
<u>(25,500)</u>	<u>(18,500)</u>	<u>(19,100)</u>	<u>(20,000)</u>
<u>(25,500)</u>	<u>(15,500)</u>	<u>(15,100)</u>	<u>(10,000)</u>
(40,140)	(560)	(570)	4,150
<u>41,290</u>	<u>1,150</u>	<u>590</u>	<u>20</u>
<u>\$1,150</u>	<u>\$590</u>	<u>\$20</u>	<u>\$4,170</u>

Village of McClure, Henry County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2013, through 2017

Note 1 - The Village

The Village of McClure is located in northwest Ohio in Henry County. The Village is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Operating as a statutory village, McClure must comply with all State laws regulating village government. The decision making process is directed by an elected Village Council and Mayor. The Village Council is the legislative authority of the Village and consists of six members who are elected at large and serve terms of four years. The Mayor is the chief executive officer of the Village and serves a term of four years.

On September 10, 2009, the Auditor of State's Office declared the Village of McClure to be in a state of fiscal emergency in accordance with Section 118.03 of the Ohio Revised Code. The declaration resulted in the establishment of a Financial Planning and Supervision Commission. The Commission is comprised of the Mayor, President Pro Tempore of Village Council, three individuals whose residency or principal place of business is within the Village, and a designee from both the State Treasurer's Office and the Office of Budget and Management. This Commission is required to adopt a financial recovery plan for the Village. Once the plan has been adopted, the Village's discretion is limited in that all financial activity of the Village must be in accordance with the plan.

The Village of McClure provides general governmental services including street construction and maintenance, street lighting, and park maintenance. The operation of each of these activities is directly controlled by the Village Council through the budgetary process. The administration includes the Mayor and the Fiscal Officer.

In 2010, the Village eliminated the police department to reduce expenditures in the Village's General Fund. In 2010, the Village transferred all water and sewer operations to Henry County.

Note 2 - Nature of Presentation

This financial forecast presents, to the best of the Village's knowledge and belief, the expected revenues, expenditures, and changes in fund balances for the forecast period. Accordingly, the forecast reflects the Village's judgment, as of September 16, 2013, the date of the forecast, the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The forecast presents the funds that are significant to the operations of the Village. For the Village of McClure, this consists of the General Fund and the Street Construction Fund.

General Fund - The General Fund is the operating fund of the Village and is used to account for and report all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is disbursed or transferred in accordance with Ohio law.

Street Construction Fund - This fund accounts for 92.5 percent of the state gasoline tax and motor vehicle registration fees restricted for maintenance of streets within the Village.

Village of McClure, Henry County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2013, through 2017

Note 3 - Summary of Significant Accounting Policies

A. Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts, disbursements, and encumbrances, which is consistent with the budget basis of accounting (non-GAAP) used to prepare the historical financial statements. Under this basis of accounting, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred. However, by virtue of Ohio law, the Village is required to maintain the encumbrance method of accounting. This method requires purchase orders, contracts, and other commitments for the expenditure of monies to be recorded as the equivalent of an expenditure in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

B. Fund Accounting

The Village maintains its accounting records in accordance with the principles of “fund” accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the segregation of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

General Fund - The General Fund is the operating fund of the Village and is used to account for and report all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is disbursed or transferred in accordance with Ohio law.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to disbursement for specified purposes, other than for debt service or capital projects.

Capital Projects Funds - Capital projects funds are used to account for resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of the budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriations ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Village of McClure, Henry County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2013, through 2017

Estimated Resources - On or about September 1, the County Budget Commission issues an official certificate of estimated resources to the Village, which states the projected receipts of each fund. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. Prior to December 31, the Village must revise its budget so that total contemplated expenditures from any funds during the ensuing 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 if the annual appropriations for the full year are not ready for approval by Village Council. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire year. By March 31, an annual appropriation ordinance must be legally enacted by the Village Council. The appropriation measure may be amended or supplemented during the year as new information becomes available.

Encumbrances - The Village uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation.

D. Property, Plant and Equipment

Capital assets acquired or constructed for general governmental services are recorded as expenditures. Depreciation is not recorded for these capital assets as the purpose of the financial statements for the governmental services is to report the expenditure of resources, not costs.

Note 4 - General Revenue Assumptions - All Funds

A. Property Taxes

Property tax revenues consist of real property, public utility real and personal property, and prior to 2011, tangible personal property taxes. The Village may request advances from the Henry County Auditor as the taxes are collected. When final settlements are made, any amounts remaining to be distributed to the Village are paid. Deductions for auditor and treasurer fees, advertising delinquent taxes, election expenses, and other fees are made at these settlement times. The amounts shown in the revenue section of the forecast represent gross property tax revenues.

State law allows for certain reductions in the form of rollbacks and homestead exemptions for residential real estate taxes. The State reimburses the Village for all revenue lost due to these exemptions. The amount of the reimbursement is presented in the account "intergovernmental revenue".

Village of McClure, Henry County
 Summary of Significant Accounting Policies and Forecast Assumptions
 For the Years Ending December 31, 2013, through 2017

All property tax revenues are based on property valuations and levy rates. The County is required to reappraise property every six years and update the valuations every three years between the reappraisals. The last reappraisal was completed in 2011 for taxes collected in 2012. The next triennial update will take place in 2014 for taxes collected in 2015 with the next reappraisal scheduled for 2017. The Village's assessed values upon which property tax receipts were based for the last four years are as follows:

Class of Property	2009	2010	2011	2012
Real Property				
Residential and Agriculture	\$6,335,800	\$6,323,990	\$5,812,700	\$5,811,760
Commercial and Industrial	832,070	832,070	729,260	729,260
Public Utility Property				
Tangible Personal	140,450	147,390	152,070	163,270
Total Assessed Value	<u>\$7,308,320</u>	<u>\$7,303,450</u>	<u>\$6,694,030</u>	<u>\$6,704,290</u>

Property tax revenues are generated from the inside millage receipted into the General Fund as well as from voted levies for current expenses also receipted into the General Fund.

The levies being collected by fund, the year approved, and the full tax rate are as follows:

Levy Type	Fund	Original Year Approved	First Year of Collection	Last Year of Collection	Full Rate (per \$1,000 of Assessed Valuation)
Inside Millage	General	n/a	n/a	n/a	\$2.40
Current Expense	General	2010	2010	2014	1.50
Current Expense	General	2010	2010	2014	3.00
Total					<u>\$6.90</u>

Public utility real taxes are collected and settled by the County with real estate taxes and are recorded as general property taxes. Beginning in 2001, the Ohio General Assembly reduced the assessment rate for certain tangible personal property of electric and gas utilities from 88 percent to 25 percent. Starting in tax year 2005, the assessment rate for personal property owned by telephone utilities prior to 1995 was being phased down from 88 percent to 25 percent (in tax year 2007) over a three-year period. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out of the tangible personal property tax on local and inter-exchange telephone companies.

Real Property - Real property taxes decreased from 2011 to 2012 in the General Fund based on property valuations. Real property taxes are forecasted to remain the same throughout the forecast period as there is no anticipated growth in the Village.

Village of McClure, Henry County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2013, through 2017

Tangible Personal Property - Tangible personal property taxes have had a number of changes in the past several years. Effective for tax years 2005 and 2006, the assessment rate on inventory was to be reduced by 2 percent if the total statewide collections of personal property taxes for the second preceding year exceeded the total statewide collections of property taxes for the third preceding year. Effective for tax years 2007 and beyond, the assessment rate for inventory was to be reduced by 2 percent per year until completely phased out, regardless of the growth in collections.

In 2006, House Bill 66 phased out, by 25 percent each year, tangible personal property tax on most businesses' inventory, manufacturing machinery and equipment, and furniture and fixtures. This change superseded the changes and phase-out periods addressed above. No tangible personal property taxes have been levied or collected since 2009 from general business taxpayers (except telephone companies whose last year to pay tangible property tax was 2010). The State of Ohio reimburses the Village for the loss of tangible personal property taxes as a result of the changes in House Bill 66 within certain limitations (see Intergovernmental Revenues).

B. Municipal Income Taxes

The Village levies a municipal income tax of 1 percent on all income earned within the Village as well as on income of residents earned outside the Village. The Village does not allow any credit for income taxes paid to another municipality. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village, at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a final return annually.

All income tax revenue is credited to the General Fund and used to pay the cost of administering the tax and general governmental operations. The Village implemented the income tax prior to 1983. Prior to 2010, the Village administered income tax collection and processing internally. In 2010, the Village contracted with the Regional Income Tax Agency (RITA) for income tax collection and processing. As a result of RITA's more effective procedures for collection of taxes, income tax receipts increased in 2011. This increase also included improved collection of delinquent taxes. Income tax revenues decreased in 2012 due to state and national economic conditions, but also due to delinquent amounts collected in the prior year. Income tax revenues are expected to increase approximately 2 percent each year based on an anticipated increase in business and individual earnings. No growth is expected in the Village.

C. Intergovernmental Revenues

Intergovernmental revenues include local government monies and property tax allocations for rollback, homestead, and tangible personal property loss reimbursements. The local government funds are distributed monthly by the State to the Village and by the County Auditor to the Village. The property tax allocations for rollback, homestead, and tangible personal property are received from the State and are based on information provided by the County Auditor.

Village of McClure, Henry County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2013, through 2017

Beginning in 2006, the State reimbursed the Village for lost revenue due to the phase-out of tangible personal property tax. In the first five years, the Village was fully reimbursed relative to prior law for revenue lost due to the taxable value reductions prescribed by House Bill 66. Over the next seven years, the reimbursements were to be phased-out. The reimbursement was for the difference between the assessed values under prior law and the assessed values under House Bill 66. This means the Village was only to be reimbursed for the difference between the amounts that would have been received under the prior law and amounts actually received as the phase-outs in House Bill 66 were implemented.

In 2011, HB153 accelerated the phase-out of the tangible personal property tax reimbursements by two percentage points per year based on the entity's 2010 tax year reimbursements.

State law grants tax relief in the form of a 10 percent reduction in residential real property tax bills. In addition, a 2.5 percent rollback is granted on residential property taxes. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. The State reimburses the Village for the loss of real property taxes caused by the homestead and rollback tax relief programs.

In tax collection year 2008, the State granted an additional homestead exemption for the first \$25,000 in market value. This exemption increases property tax allocation receipts and decreases general property tax receipts by an equal amount.

In prior years, the State exempted the first \$10,000 in tangible personal property from taxation and the State reimbursed the Village for the lost revenue. In 2004, the State began to phase-out the reimbursement by 10 percent each year. Under House Bill 66, the phase-out period was accelerated. The last reimbursement for this exemption was in October 2008.

Section 503.12(B) of House Bill 66 established a Task Force to study potential sources of State funding for the local government and the local government revenue assistance programs that have the capacity for growth and stability in the funding levels and that considers the changes to the Ohio tax code. In December 2006, the Task Force submitted a report to the Governor and to the General Assembly setting forth its recommendations. The State Budget bill for fiscal years 2008 and 2009 replaced the percentage of tax methodology with a percentage of tax receipts formula. In general, the formula proposes that the three local government funds at the State level receive a percentage of the general revenue fund tax receipts in total collected by the State. In 2011, HB153 made reductions in the local government funding for fiscal years 2012 and 2013. These reductions were approximately 25 percent and 50 percent less than 2011 funding amounts for 2012 and 2013, respectively. No increases are projected for future years.

Note 5 - Specific Fund Revenue Assumptions

A. General Fund

Fees, Licenses and Permits - Fees, licenses, and permits receipts represent liquor and beer permit fees, building permits, and cable franchise fees. Cable franchise fees are three percent of gross receipts collected by the cable provider. No increase is anticipated in these revenues.

Village of McClure, Henry County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2013, through 2017

B. Street Construction Fund

Intergovernmental - Intergovernmental receipts consist of State gasoline taxes and State motor vehicle license tax fees. These taxes are collected by the State and disbursed to the Village based on several formulas. This revenue source has remained fairly consistent, with the exception of 2011 when the Village received a grant from Henry County. This revenue source is expected to remain consistent throughout the forecast period due to limited growth expectations for the Village.

Note 6 - Expenditure Assumptions - All Funds

A. Personal Services

Personal services consists of the salaries paid to the Fiscal Officer, Village Administrator/Street employee, Village Solicitor, and elected officials of the Village. The Fiscal Officer and elected officials are paid monthly. The Village Administrator/Street employee is paid bi-weekly. The Village Solicitor is paid quarterly. Village Council, by ordinance, sets the salary. The Village does not have any other forms of compensation, such as paid leave.

The Village Council consists of six members with an annual salary of \$500. Village Council is paid from the General Fund.

The Mayor's annual salary is \$1,000 and is paid from the General Fund.

The Fiscal Officer is paid \$800 per month and is paid from the General Fund.

The Village Administrator/Street employee is paid hourly. The decrease from 2011 to 2012 was due to reduced hours and the Village eliminated the position temporarily.

The Village Solicitor is paid \$4,500 quarterly plus an hourly rate for certain services as defined by contract.

The salaries for the Fiscal Officer and the Village Administrator/Street employee are anticipated to increase three percent per year. No increases are expected for the Mayor or Village Council within the forecast period.

B. Fringe Benefits

Fringe benefits include employer contributions to the State pension system, workers' compensation, and Medicare. The Village does not provide health care or any other insurance benefits.

All employees and elected officials participate in the Ohio Public Employees Retirement System (OPERS). OPERS provides basic retirement, disability, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. Employees are required to contribute 10 percent (the maximum) of their annual salary and the Village is required to contribute 14 percent (the maximum) of their annual salary.

Workers' compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. A slight increase is expected annually.

Village of McClure, Henry County
 Summary of Significant Accounting Policies and Forecast Assumptions
 For the Years Ending December 31, 2013, through 2017

C. Contractual Services

Contractual services include property and liability insurance, utility charges (telephone, electricity, natural gas, and garbage), postage, advertising, legal fees, auditor and treasurer fees, accounting and auditing services, and amounts paid to the County General Health District. Audits will be performed in 2014 and 2016 and will be paid from the General Fund. In 2010 through 2012, the Village was making installment payments on prior audits. These amounts are now paid in full.

For 2013 through 2017, property insurance is anticipated to increase 5 percent each year based on historical rate increases and discussion with the provider.

Utilities are anticipated to increase from 5 to 10 percent each year; telephone expenses and garbage removal are anticipated to increase 5 percent each year; electricity is anticipated to increase 8 percent each year; natural gas is anticipated to increase 10 percent each year for 2013 through 2017. Increases are based on historical rate increases and discussion with the providers.

In 2014, the Village plans to contract for a street improvement project which will be paid from the Street Construction Fund.

D. Supplies and Materials

Supplies and materials expenditures include office supplies and operating supplies. Supplies and materials are anticipated to increase between 3 percent and 5 percent per year based upon historical trends.

E. Debt Service

The original issue date, interest rate, original issue amount, and maturity date for the Village's long-term obligations as of December 31, 2012, were as follows:

	Original Issue Date	Interest Rate	Original Issue Amount	Maturity Date
Loan Payable				
Huntington Bank	8/23/2006	3.93-5.00%	\$114,200	9/1/2026

Loan Payable - The Village issued a loan with Huntington National Bank for the purchase and renovation of real property. The loan is being paid from the General Fund.

Village of McClure, Henry County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2013, through 2017

Principal and interest requirements to retire the loan are:

Year	Principal	Interest
2013	\$4,500	\$4,900
2014	4,800	4,600
2015	5,100	4,300
2016	5,400	4,000
2017	5,700	3,700
2018-2022	33,550	13,700
2023-2026	31,900	3,500
	\$90,950	\$38,700

Note 7 - Transfers - All Funds

Transfers out from the General Fund are to provide resources to subsidize activities in the Street Construction and State Highway Funds.

Transfers out from the Street Construction Fund are to provide resources to subsidize activities in the Village's Permissive Fund for street improvements.

Note 8 - Other Funds

The Village has several other funds that account for resources that are restricted for specific purposes. These funds are anticipated to have sufficient resources to meet their obligations during the forecasted period.

Note 9 - Pending Litigation

The Village currently has no pending litigation.



Dave Yost • Auditor of State

VILLAGE OF MCCLURE

HENRY 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
OCTOBER 22, 2013**