



**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
Wheeling, WV 26003  
304 232 1358

749 Wheeling Ave., #300  
Cambridge, OH 43725  
740 435 3417

[www.perrycpas.com](http://www.perrycpas.com)



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

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

We have reviewed the *Independent Auditor's Report* of the Village of Matamoras, Washington County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

April 13, 2021

**This page intentionally left blank.**

VILLAGE OF MATAMORAS  
WASHINGTON COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report.....	1
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2019 .....	3
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2019 .....	4
Notes to the Financial Statements 2019 .....	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2018 .....	12
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2018 .....	13
Notes to the Financial Statements 2018 .....	14
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	21
Schedule of Audit Findings.....	23
Schedule of Prior Audit Findings .....	28

**This page intentionally left blank.**



313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

150 West Main St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358

749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
740.435.3417

## INDEPENDENT AUDITOR'S REPORT

February 19, 2021

Village of Matamoras  
Washington County  
P.O. Box 536  
Matamoras, Ohio 45767

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of **Village of Matamoras**, Washington County, Ohio (the Village) as of and for the years ended December 31, 2019 and 2018.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

An Independently owned member  
**RSM US Alliance**

The RSM logo consists of three horizontal bars in green, blue, and grey, positioned above the letters "RSM" in a bold, black, sans-serif font.

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

As described in Note 2 the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2019 and 2018, and the respective changes in financial position or cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Matamoras, Washington County as of December 31, 2019 and 2018, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2021, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



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



**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 32,602	\$ 4,967	\$ 37,569
Intergovernmental	34,746	34,508	69,254
Special Assessments	-	97	97
Fines, Licenses and Permits	7,437	589	8,026
Earnings on Investments	632	37	669
Miscellaneous	12,090	1,960	14,050
<i>Total Cash Receipts</i>	<u>87,507</u>	<u>42,158</u>	<u>129,665</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	67,922	294	68,216
Public Health Services	1,728	-	1,728
Leisure Time Activities	5,605	-	5,605
Basic Utility Services	7,898	-	7,898
Transportation	-	35,019	35,019
General Government	41,512	149	41,661
Capital Outlay	80	-	80
Debt Service:			
Principal Retirement	4,166	-	4,166
Interest and Fiscal Charges	694	-	694
<i>Total Cash Disbursements</i>	<u>129,605</u>	<u>35,462</u>	<u>165,067</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(42,098)</u>	<u>6,696</u>	<u>(35,402)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers Out	(497)	-	(497)
<i>Total Other Financing (Disbursements)</i>	<u>(497)</u>	<u>-</u>	<u>(497)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(42,595)</u>	<u>6,696</u>	<u>(35,899)</u>
<i>Fund Cash Balances, January 1</i>	<u>177,269</u>	<u>89,290</u>	<u>266,559</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	95,986	95,986
Assigned	34,802	-	34,802
Unassigned	99,872	-	99,872
<i>Fund Cash Balances, December 31</i>	<u>\$ 134,674</u>	<u>\$ 95,986</u>	<u>\$ 230,660</u>

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

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 335,462	\$ -	\$ 335,462
Fines, Licenses and Permits	-	14,136	14,136
Miscellaneous	570	-	570
<i>Total Operating Cash Receipts</i>	<u>336,032</u>	<u>14,136</u>	<u>350,168</u>
<b>Operating Cash Disbursements</b>			
Personal Services	121,369	-	121,369
Employee Fringe Benefits	18,943	-	18,943
Contractual Services	95,352	-	95,352
Supplies and Materials	132,026	-	132,026
Other	-	14,163	14,163
<i>Total Operating Cash Disbursements</i>	<u>367,690</u>	<u>14,163</u>	<u>381,853</u>
<i>Operating Income (Loss)</i>	<u>(31,658)</u>	<u>(27)</u>	<u>(31,685)</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Special Assessments	4,747	-	4,747
Miscellaneous Receipts	63,475	-	63,475
Capital Outlay	(90,545)	-	(90,545)
Principal Retirement	(59,989)	-	(59,989)
Interest and Other Fiscal Charges	(33,435)	-	(33,435)
<i>Total Non-Operating (Disbursements)</i>	<u>(115,747)</u>	<u>-</u>	<u>(115,747)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	(147,405)	(27)	(147,432)
Transfers In	497	-	497
<i>Net Change in Fund Cash Balances</i>	(146,908)	(27)	(146,935)
<i>Fund Cash Balances, January 1</i>	<u>490,925</u>	<u>1,411</u>	<u>492,336</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 344,017</u>	<u>\$ 1,384</u>	<u>\$ 345,401</u>

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

**VILLAGE OF MATAMORAS**  
**WASHINGTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

---

**Note 1 – Reporting Entity**

The Village of Matamoras (the Village), Washington County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general governmental services, water and sewer utilities, park operations, and police services.

**Public Entity Risk Pools**

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

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

**Fund Accounting**

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

**General Fund** - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds** - These funds account for and report the proceeds of specific sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

**State Highway Fund** This Fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

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

**Water Fund** – The Water Fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

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

**VILLAGE OF MATAMORAS**  
**WASHINGTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Fiduciary Funds** - Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

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's agency fund accounts for Mayor's Court fines and forfeitures.

**Basis of Accounting**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**Budgetary Process**

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

**Appropriations** – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

**Encumbrances** – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2019 budgetary activity appears in Note 4.

**Deposits and Investments**

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

**Capital Assets**

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

**VILLAGE OF MATAMORAS**  
**WASHINGTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Accumulated Leave***

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

***Fund Balance***

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

***Nonspendable*** – The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

***Assigned*** – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

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

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Sewer Utility Operation and Maintenance Fund by \$65,498, and the Swimming Pool Operations and Maintenance Fund by \$497 for the year ended December 31, 2019.

**VILLAGE OF MATAMORAS**  
**WASHINGTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 174,359	\$ 87,507	\$ (86,852)
Special Revenue	92,360	42,158	(50,202)
Enterprise	620,755	404,751	(216,004)
Total	\$ 887,474	\$ 534,416	\$ (353,058)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 137,428	\$ 130,947	\$ 6,481
Special Revenue	44,823	35,720	9,103
Enterprise	561,490	553,790	7,700
Total	\$ 743,741	\$ 720,457	\$ 23,284

**Note 5 - Deposits**

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

	2019
Demand deposits	\$ 576,061
	\$ 576,061

**Deposits**

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

**Note 6 – Taxes**

**Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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.

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**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

---

**Note 7 – Risk Management**

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

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

OPRM coverage programs 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. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$15,920,504
Liabilities	<u>(11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</u>

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

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. 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, 2019.

**VILLAGE OF MATAMORAS**  
**WASHINGTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Note 8 – Defined Benefit Pension Plans (Continued)**

**Ohio Police and Fire Retirement System**

The Village's full-time police officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F full-time police and firefighter participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2019.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2019. OP&F contributes 0.5% to fund these benefits.

**Note 10 – Debt**

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC-CT70E	\$ 1,371	0.00%
OPWC-CT67B	5,102	2.00%
OPWC-CT27G	108,126	2.00%
OPWC-CTA4M	128,361	0.00%
USDA-Water System Revenue Bonds	1,865,400	1.63%
Peoples Savings Bank Roof Loan	15,033	4.00%
Total	<u>\$ 2,123,393</u>	

OPWC-CT70E - 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.

OPWC-CT67B - 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.

OPWC-CR27G - 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.

OPWC-CTA4M - 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 \$3,130.50, which began on July 1, 2010.



**VILLAGE OF MATAMORAS**  
**WASHINGTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Note 10 – Debt (Continued)**

Peoples Savings Bank Roof Loan – The Village borrowed \$12,100 from Peoples Savings Bank for roof repairs. The term of the loan is 5 years, to be amortized in 60 payments of \$222.86 which began on September 1, 2017. On April 18, 2018, the Village refinanced the note, borrowing \$11,265 in additional funds. The term of the new loan is 5 years, to be amortized in 60 payments of \$404.98.

The USDA loan was obtained in 2016 for a water system improvement project. The loan was approved up to \$1,902,000 with the total amount drawn down as of December 31, 2017.

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

Year Ending December 31:	OPWC CT70E	OPWC CT67B	OPWC CR27G	OPWC CTA4M	Peoples Savings	USDA Loan
2020	\$ 304	\$ 1,516	\$ 17,822	\$ 6,262	\$ 4,860	\$ 67,413
2021	304	1,516	17,822	6,262	4,860	67,509
2022	304	1,516	17,822	6,262	4,860	67,496
2023	304	759	17,822	6,262	1,620	67,472
2024	155	-	17,822	6,262	-	67,438
2025-2029	-	-	26,733	31,310	-	337,418
2030-2034	-	-	-	31,310	-	337,449
2035-2039	-	-	-	31,310	-	337,418
2040-2044	-	-	-	3,121	-	337,397
2045-2049	-	-	-	-	-	337,354
2050-2054	-	-	-	-	-	337,446
2055-2056	-	-	-	-	-	134,919
Total	<u>\$ 1,371</u>	<u>\$ 5,307</u>	<u>\$ 115,843</u>	<u>\$ 128,361</u>	<u>\$ 16,200</u>	<u>\$ 2,024,364</u>

**Note 11 – Contingent Liabilities**

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

**Note 12 – Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 35,467	\$ 5,554	\$ 41,021
Intergovernmental	30,751	30,357	61,108
Special Assessments	-	145	145
Fines, Licenses and Permits	8,344	865	9,209
Earnings on Investments	847	26	873
Miscellaneous	7,251	19,698	26,949
<i>Total Cash Receipts</i>	<u>82,660</u>	<u>56,645</u>	<u>139,305</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	65,290	256	65,546
Public Health Services	1,758	-	1,758
Leisure Time Activities	9,832	-	9,832
Basic Utility Services	7,120	-	7,120
Transportation	-	55,254	55,254
General Government	39,713	-	39,713
Capital Outlay	11,265	-	11,265
Debt Service:			
Principal Retirement	3,426	-	3,426
Interest and Fiscal Charges	717	-	717
<i>Total Cash Disbursements</i>	<u>139,121</u>	<u>55,510</u>	<u>194,631</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(56,461)</u>	<u>1,135</u>	<u>(55,326)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Other Debt Proceeds	11,265	-	11,265
<i>Total Other Financing Receipts</i>	<u>11,265</u>	<u>-</u>	<u>11,265</u>
<i>Net Change in Fund Cash Balances</i>	(45,196)	1,135	(44,061)
<i>Fund Cash Balances, January 1</i>	<u>222,465</u>	<u>88,155</u>	<u>310,620</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	89,290	89,290
Assigned	44,834	-	44,834
Unassigned	132,435	-	132,435
<i>Fund Cash Balances, December 31</i>	<u>\$ 177,269</u>	<u>\$ 89,290</u>	<u>\$ 266,559</u>

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

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 313,694	\$ -	\$ 313,694
Fines, Licenses and Permits	-	10,844	10,844
Miscellaneous	604	-	604
<i>Total Operating Cash Receipts</i>	<u>314,298</u>	<u>10,844</u>	<u>325,142</u>
<b>Operating Cash Disbursements</b>			
Personal Services	120,599	-	120,599
Employee Fringe Benefits	18,727	-	18,727
Contractual Services	104,756	-	104,756
Supplies and Materials	75,698	-	75,698
Other	-	10,726	10,726
<i>Total Operating Cash Disbursements</i>	<u>319,780</u>	<u>10,726</u>	<u>330,506</u>
<i>Operating Income (Loss)</i>	<u>(5,482)</u>	<u>118</u>	<u>(5,364)</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Intergovernmental	762,064	-	762,064
Special Assessments	4,934	-	4,934
Capital Outlay	(559,618)	-	(559,618)
Principal Retirement	(23,058)	-	(23,058)
Interest and Other Fiscal Charges	(33,756)	-	(33,756)
<i>Total Non-Operating Receipts</i>	<u>150,566</u>	<u>-</u>	<u>150,566</u>
<i>Net Change in Fund Cash Balances</i>	145,084	118	145,202
<i>Fund Cash Balances, January 1</i>	<u>345,841</u>	<u>1,293</u>	<u>347,134</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 490,925</u>	<u>\$ 1,411</u>	<u>\$ 492,336</u>

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

**VILLAGE OF MATAMORAS**  
**WASHINGTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

**Note 1 – Reporting Entity**

The Village of Matamoras (the Village), Washington County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general governmental services, water and sewer utilities, park operations, and police services.

**Public Entity Risk Pools**

The Village participates a public entity risk pool. Note 7 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

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

**Fund Accounting**

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

**General Fund** - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds** - These funds account for and report the proceeds of specific sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

**State Highway Fund** This Fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

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

**Water Fund** – The Water Fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

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

**VILLAGE OF MATAMORAS**  
**WASHINGTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Fiduciary Funds** – Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village’s own programs.

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’s agency fund accounts for Mayor’s Court fines and forfeitures.

**Basis of Accounting**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**Budgetary Process**

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

**Appropriations** – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

**Encumbrances** – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2018 budgetary activity appears in Note 4.

**Deposits and Investments**

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

**Capital Assets**

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

**VILLAGE OF MATAMORAS**  
**WASHINGTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Accumulated Leave***

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

***Fund Balance***

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

***Nonspendable*** – The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

***Assigned*** – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

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

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Street Construction, Maintenance, and Repair Fund by \$9,794, the Municipal License Tax Fund by \$427, the State Highway Fund by \$415, the Sewer Utility Operation and Maintenance Fund by \$367,791, and the Swimming Pool Operations and Maintenance Fund by \$202.

**VILLAGE OF MATAMORAS**  
**WASHINGTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 210,165	\$ 93,925	\$ (116,240)
Special Revenue	88,244	56,645	(31,599)
Enterprise	370,708	1,081,296	710,588
Total	\$ 669,117	\$ 1,231,866	562,749

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 153,257	\$ 140,017	\$ 13,240
Special Revenue	48,620	56,077	(7,457)
Enterprise	583,779	938,244	(354,465)
Total	\$ 785,656	\$ 1,134,338	\$ (348,682)

**Note 5 - Deposits**

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

Demand deposits	2018
	\$ 758,895

**Deposits**

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

**Note 6 – Taxes**

**Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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.

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**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

**Note 7 – Risk Management**

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

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

OPRM coverage programs 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. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,330,789</u>

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

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. 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, 2018.

***Ohio Police and Fire Retirement System***

The Village's full-time police officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F full-time police and firefighter participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2018.



**VILLAGE OF MATAMORAS**  
**WASHINGTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2018. OP&F contributes 0.5% to fund these benefits.

**Note 10 – Debt**

Debt outstanding at December 31, 2018 was as follows:

OPWC-CT70E	\$	1,676	0.00%
OPWC-CT67B		6,496	2.00%
OPWC-CT27G		123,554	2.00%
OPWC-CTA4M		134,623	0.00%
USDA-Water System Revenue Bonds		1,902,000	1.63%
Peoples Savings Bank Roof Loan		19,199	4.00%
Total	<u>\$</u>	<u>2,187,548</u>	

OPWC-CT70E - 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.

OPWC-CT67B - 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.

OPWC-CR27G - 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.

OPWC-CTA4M - 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 \$3,130.50, which began on July 1, 2010.

Peoples Savings Bank Roof Loan – The Village borrowed \$12,100 from Peoples Savings Bank for roof repairs. The term of the loan is 5 years, to be amortized in 60 payments of \$222.86 which began on September 1, 2017. On April 18, 2018, the Village refinanced the note, borrowing \$11,265 in additional funds. The term of the new loan is 5 years, to be amortized in 60 payments of \$404.98.

The USDA loan was obtained in 2016 for a water system improvement project. The loan was approved up to \$1,902,000 with the total amount drawn down as of December 31, 2017.

**VILLAGE OF MATAMORAS**  
**WASHINGTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10 – Debt (Continued)**

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

December 31:	CT70E	CT67B	CR27G	CTA4M	Savings	Loan
2019	\$ 304	\$ 1,516	\$ 17,822	\$ 6,262	\$ 4,860	\$ 67,508
2020	304	1,516	17,822	6,262	4,860	67,416
2021	304	1,516	17,822	6,262	4,860	67,510
2022	304	1,516	17,822	6,262	4,860	67,496
2023	304	759	17,822	6,262	1,620	67,472
2024-2028	156	-	44,555	31,310	-	337,446
2029-2033	-	-	-	31,310	-	337,355
2034-2038	-	-	-	31,310	-	337,428
2039-2043	-	-	-	9,383	-	337,334
2044-2048	-	-	-	-	-	337,448
2049-2053	-	-	-	-	-	337,425
2054-2056	-	-	-	-	-	202,404
Total	<u>\$ 1,676</u>	<u>\$ 6,823</u>	<u>\$ 133,665</u>	<u>\$ 134,623</u>	<u>\$ 21,060</u>	<u>\$2,564,241</u>

**Note 11 – Contingent Liabilities**

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

**Note 12 – Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

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

February 19, 2021

Village of Matamoras  
Washington County  
P.O. Box 536  
Matamoras, Ohio 45767

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the **Village of Matamoras**, Washington County, (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated February 19, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

**Internal Control Over Financial Reporting**

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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 combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
Members: American Institute of Certified Public Accountants

• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

***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 financial statements. However, opining 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as items 2019-002 through 2019-006.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

**FINDING NUMBER 2019-001**

**Material Weakness**

**Financial Reporting**

The Village is responsible for establishing procedures and controls to help prevent and detect errors in financial reporting. Fund balances should be classified based on Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.

During 2019 and 2018, receipts, disbursements and fund balances were not always posted or classified correctly. The following posting errors were noted:

- \$11,265 of debt proceeds from The Peoples Savings Bank were improperly recorded as Miscellaneous revenue in 2018;
- A rollback receipt in the amount of \$2,503 was misclassified as Intergovernmental revenue in Special Revenue Funds instead of Intergovernmental revenue in the General Fund;
- A property tax receipt in the amount of \$10,522 was misclassified as Intergovernmental revenue in 2018, and property tax receipts in the amount of \$32,602 were misclassified as Intergovernmental revenue in 2019;
- Debt payments were incorrectly classified as Leisure Time Activities in the General Fund in 2019 and 2018;
- Debt payments were incorrectly classified as Contractual Services in the Water Utility Operation and Maintenance Fund and the Sewer Utility Maintenance Fund 2019 and 2018;
- Grant receipts totaling \$694,580 in the Water Utility Operation and Maintenance Fund from the USDA were incorrectly classified as Miscellaneous revenue instead of Intergovernmental revenue in 2018;
- Road receipts received from Washington County in the amounts of \$3,941 and \$3,423 were incorrectly classified as Fines, Licenses and Permits instead of Intergovernmental revenue in 2019 and 2018, respectively;
- Mayor's Court receipt and distribution activity was not correctly recorded in 2109 and 2018;
- USDA water project expenditures totaling \$228,964 were misclassified as Contractual Services instead of Capital Outlay in 2018;
- In 2019, Other Adjusting Factors were included in the bank reconciliation totaling \$66,989, due to items not being posted to the accounting system, and therefore not presented on the financial statements; and
- The General Fund balance was classified as Restricted when it should have been Assigned and Unassigned in 2019 and 2018.

Not posting receipts and disbursements or classifying fund balances accurately resulted in the financial statements requiring several reclassifications and adjusting entries. The Financial Statements reflect all reclassifications and adjustments. The Village has made these adjustments to their accounting system.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues 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 disbursement accounts and posting of receipts and disbursements. The Clerk should refer to Auditor of State Technical Bulletin 2011-004 for assistance in properly classifying fund balances.

**Management's Response** – Officials did not provide a response to this finding.

VILLAGE OF MATAMORAS  
WASHINGTON COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-002

**Noncompliance**

**Ohio Revised Code Section 5705.41(D)** requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision's fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.
2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 12 of 55 (22%) of the expenditures tested for 2018 and 15 of 48 (31%) of the expenditures tested for 2019.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

VILLAGE OF MATAMORAS  
WASHINGTON COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-002 (Continued)

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, "then and now" certification should be used.

**Management's Response** – Officials did not provide a response to this finding.

FINDING NUMBER 2019-003

**Noncompliance**

**Ohio Rev. Code Section 5705.41(B)** provides no subdivision shall make any expenditure of money unless it has been lawfully appropriated.

During 2018, total expenditures exceeded appropriations by \$9,794 in the Street Construction, Maintenance, and Repair Fund, \$427 in the Municipal License Tax Fund, \$415 in the State Highway Fund, \$367,791 in the Sewer Utility Operation and Maintenance Fund, and \$202 in the Swimming Pool Operations and Maintenance Fund.

During 2019, total expenditures exceeded appropriations by \$65,498 in the Sewer Utility Operation and Maintenance Fund and \$497 in the Swimming Pool Operations and Maintenance Fund.

The Village Clerk and Council Members should monitor appropriations versus estimated resources to help avoid overspending. Officials should review the requirements of ORC section 5705 to be familiar with these laws and ensure the Village is complying with applicable sections.

In addition, the Village did not have a control procedure in place to ensure 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 incorrect amounts posted to the accounting system and information available to Village officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate.

**Management's Response** – Officials did not provide a response to this finding.

VILLAGE OF MATAMORAS  
WASHINGTON COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-004

**Noncompliance**

**Ohio Revised Code Section 149.43** states that all public records shall be promptly prepared and made available to any member of the general public at all reasonable times during regular business hours for inspection. Upon request, a person responsible for public records shall make copies available at cost, within a reasonable period of time. In order to facilitate broader access to public records, public offices shall maintain public records in such a manner that they can be made available for inspection. Every public office must have a policy in place for compliance with Public Records Laws.

**Ohio Rev. Code Section 149.43(E)(1)** states, in part, that all public offices shall adopt a public records policy in compliance with this section for responding to public records requests. In adopting a public records policy under this division, a public office may obtain guidance from the model public records policy developed and provided to the public office by the attorney general under section 109.03 of the Revised Code. Except as otherwise provided in this section, the policy may not limit the number of public records that the public office will make available to a single person, may not limit the number of public records that it will make available during a fixed period of time, and may not establish a fixed period of time before it will respond to a request for inspection or copying of public records, unless that period is less than eight hours.

**Ohio Rev. Code Section 149.43(E) (2)** states that the public office shall distribute the public records policy adopted by the public office under division (E)(1) of this section to the employee of the public office who is the records custodian or records manager or otherwise has custody of the records of that office. The public office shall require that employee to acknowledge receipt of the copy of the public records policy. The public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices. The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site. A public office that has established a manual or handbook of its general policies and procedures for all employees of the public office shall include the public records policy of the public office in the manual or handbook.

**Ohio Rev. Code Section 149.43(B)(2)** states, in part, that a public office have available a copy of its current records retention schedule at a location readily available to the public.

The Village should adopt a public records policy and post it in accordance with the above requirements and should also have a current records retention schedule readily available to the public. The Village may refer to the model public records policy on the Attorney General's website. Failure to do so could result in public records not being properly retained and provided timely to the public.

**Management's Response** – Officials did not provide a response to this finding.



VILLAGE OF MATAMORAS  
WASHINGTON COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-005

**Noncompliance**

**Ohio Revised Code Section 133.15** allows the issuance of securities for the purpose of paying all or any portion of the costs of any permanent improvement that the subdivision is authorized, alone or in cooperation with other persons, to acquire, improve, or construct. Ohio Rev. Code § 133.18 allows the taxing authority of a subdivision by legislation to submit to the electors of the subdivision the question of issuing any general obligation bonds, for one purpose, that the subdivision has power or authority to issue.

On April 18, 2018, the Village signed a promissory note with The Peoples Savings Bank, in the amount of \$21,987, to finance roof repairs. Previously, on September 1, 2017, the Village signed a promissory note with The Peoples Savings Bank in the amount of \$12,100 to finance roof repairs. These types of loans do not meet the requirements set forth in Ohio Rev. Code § 133.15.

The Ohio Revised Code contains various methods of incurring debt for Village. Installment loans and promissory notes with banking institutions are not legal methods of debt for Villages. The Village should consult with the Village's legal counsel prior to the Village incurring future debt.

**Management's Response** – Officials did not provide a response to this finding.

FINDING NUMBER 2019-006

**Noncompliance**

**Ohio Revised Code 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 clerk into the Village's treasury on the first Monday of each month.

Our review of the Village's Mayor's Court disclosed the following:

- Mayor's Court distributions were not made in a timely manner in 2019 and 2018.

These weaknesses could allow recording errors and irregularities to occur and remain undetected.

We recommend the Village distribute the correct fines collected by the Village's Mayor's Court to the Village's General Fund and other applicable agencies by the required dates.

**Management's Response** – Officials did not provide a response to this finding.

**VILLAGE OF MATAMORAS  
WASHINGTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Noncompliance-ORC Section 133.15	Not Corrected	Repeated as Finding 2019-005
2017-002	Material Weakness-Financial Reporting	Not Corrected	Repeated as Finding 2019-001
2017-003	Material Weakness-Appropriations as approved do not agree to the accounting system	Not Corrected	Repeated as Finding 2019-003

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF MATAMORAS**

**WASHINGTON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 5/6/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)