

**VILLAGE OF WAYNESBURG
STARK COUNTY
Regular Audit
For the Years Ended December 31, 2009 and 2008**

Perry & Associates
Certified Public Accountants, A.C.



Mary Taylor, CPA

Auditor of State

Village Council
Village of Waynesburg
P.O. Box 610
Waynesburg, Ohio 44688

We have reviewed the *Independent Accountants' Report* of the Village of Waynesburg, Stark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 8, 2010

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**VILLAGE OF WAYNESBURG
STARK COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

September 22, 2010

Village of Waynesburg
Stark County
P.O. Box 610
Waynesburg, OH 44688

To the Honorable Mayor and Members of Village Council:

We have audited the accompanying financial statements of the **Village of Waynesburg, Stark County, Ohio**, (the Village) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2009 and 2008 or its changes in financial position or cash flows for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects the combined fund cash balances and reserve for encumbrances of the Village of Waynesburg, Stark County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2010, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 23,586	\$ 104,118	\$ 127,704
Intergovernmental	33,784	80,742	114,526
Charges for Services	-	61,575	61,575
Fines, Licenses, and Permits	14,995	-	14,995
Earnings on Investments	2,350	1,904	4,254
Miscellaneous	7,283	5,944	13,227
	<u>81,998</u>	<u>254,283</u>	<u>336,281</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	50,406	74,761	125,167
Public Health Services	-	28,985	28,985
Transportation	-	21,241	21,241
General Government	44,241	84,691	128,932
Capital Outlay	-	16,088	16,088
Debt Service:			
Redemption of Principal	2,103	6,722	8,825
Interest and Fiscal Charges	402	794	1,196
	<u>97,152</u>	<u>233,282</u>	<u>330,434</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Disbursements	(15,154)	21,001	5,847
Fund Cash Balances, January 1	<u>24,416</u>	<u>197,312</u>	<u>221,728</u>
Fund Cash Balances, December 31	<u>\$ 9,262</u>	<u>\$ 218,313</u>	<u>\$ 227,575</u>
Reserve For Encumbrances, December 31	<u>\$ 108</u>	<u>\$ 1,821</u>	<u>\$ 1,929</u>

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

**VILLAGE OF WAYNESBURG
STARK COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 177,689	\$ -	177,689
Total Operating Revenues	<u>177,689</u>	<u>-</u>	<u>177,689</u>
Operating Cash Disbursements:			
Personal Services	30,318	-	30,318
Fringe Benefits	3,110	-	3,110
Contractual Services	69,205	-	69,205
Supplies and Materials	28,715	-	28,715
Capital Outlay	7,167	-	7,167
Total Operating Cash Disbursements	<u>138,515</u>	<u>-</u>	<u>138,515</u>
Operating Income/(Loss)	<u>39,174</u>	<u>-</u>	<u>39,174</u>
Non-Operating Cash Receipts/Disbursements:			
Other Non-Operating Cash Receipts	-	16,361	16,361
Other Non-Operating Cash Disbursements	-	(15,791)	(15,791)
Redemption of Principal	(41,177)	-	(41,177)
Interest and Other Fiscal Charges	(7,654)	-	(7,654)
Total Non-Operating Cash Receipts/Disbursements	<u>(48,831)</u>	<u>570</u>	<u>(48,261)</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	(9,657)	570	(9,087)
Fund Cash Balances, January 1	<u>393,309</u>	<u>-</u>	<u>393,309</u>
Fund Cash Balances, December 31	<u>\$ 383,652</u>	<u>\$ 570</u>	<u>\$ 384,222</u>
Reserve for Encumbrances, December 31	<u>\$ 9,148</u>	<u>\$ -</u>	<u>\$ 9,148</u>

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

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 24,105	\$ 92,743	\$ 13,970	\$ 130,818
Intergovernmental	31,136	75,440	-	106,576
Charges for Services	-	71,194	-	71,194
Fines, Licenses, and Permits	1,268	100	-	1,368
Earnings on Investments	16,925	-	-	16,925
Miscellaneous	14,768	2,378	-	17,146
	<u>88,202</u>	<u>241,855</u>	<u>13,970</u>	<u>344,027</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	48,160	67,266	-	115,426
Public Health Services	-	31,899	-	31,899
Transportation	-	21,135	-	21,135
General Government	70,480	103,673	-	174,153
Capital Outlay	170	21,353	-	21,523
Debt Service:				
Redemption of Principal	2,304	13,892	12,917	29,113
Interest and Fiscal Charges	201	1,337	1,053	2,591
	<u>121,315</u>	<u>260,555</u>	<u>13,970</u>	<u>395,840</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Disbursements	(33,113)	(18,700)	-	(51,813)
Fund Cash Balances, January 1	57,529	216,012	-	273,541
Fund Cash Balances, December 31	<u>\$ 24,416</u>	<u>\$ 197,312</u>	<u>\$ -</u>	<u>\$ 221,728</u>
Reserve For Encumbrances, December 31	<u>7,372</u>	<u>17,027</u>	<u>-</u>	<u>24,399</u>

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

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 194,514	\$ -	\$ 194,514
Total Operating Revenues	<u>194,514</u>	<u>-</u>	<u>194,514</u>
Operating Cash Disbursements:			
Personal Services	27,347	-	27,347
Fringe Benefits	4,132	-	4,132
Contractual Services	37,929	-	37,929
Supplies and Materials	17,422	-	17,422
Capital Outlay	3,575	-	3,575
Total Operating Cash Disbursements	<u>90,405</u>	<u>-</u>	<u>90,405</u>
Operating Income/(Loss)	<u>104,109</u>	<u>-</u>	<u>104,109</u>
Non-Operating Cash Receipts/Disbursements:			
Other Non-Operating Cash Disbursements	-	(60)	(60)
Redemption of Principal	(37,935)	-	(37,935)
Interest and Other Fiscal Charges	(10,309)	-	(10,309)
Total Non-Operating Cash Receipts/Disbursements	<u>(48,244)</u>	<u>(60)</u>	<u>(48,304)</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	55,865	(60)	55,805
Fund Cash Balances, January 1	<u>337,444</u>	<u>60</u>	<u>337,504</u>
Fund Cash Balances, December 31	<u>\$ 393,309</u>	<u>\$ -</u>	<u>\$ 393,309</u>
Reserve for Encumbrances, December 31	<u>\$ 6,157</u>	<u>\$ -</u>	<u>\$ 6,157</u>

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

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Waynesburg, Stark 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. The Village is directed by a publicly-elected six-member Council. In addition, the Village's water utilities are directed by a publicly-elected three-member Board of Public Affairs. The Village provides water utilities, park operations, cemetery operations, and police services. Fire protection services are provided to Village residents by the Village's Volunteer Fire Department.

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

The Village is associated with certain organizations which are defined as Jointly Governed Organizations under Governmental Accounting Standards Board (GASB) Statement No. 14, *Reporting Entity*. These organizations are presented in Notes 8 through 10. These organizations include:

- Stark Council of Governments
- Stark County Regional Planning Commission
- Stark Quad Ambulance District

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Deposits and Investments

The Village invested in a repurchase agreement (overnight sweep) during 2009 and 2008. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

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

Cemetery Fund – This fund receives monies from the sale of cemetery lots and charges for burials which are used to maintain the cemetery.

Fire Levy Fund – This fund receives levy monies to operate and maintain the Village Volunteer Fire Department.

Police Levy Fund – This fund receives levy monies to operate and maintain the Village Police Department.

3. Debt Service Fund

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

Fire Truck Bond Retirement Fund – This fund receives levy monies to retire the debt associated with the purchase of the Village's fire truck.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

5. Enterprise Funds

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

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

Water Debt Fund – This fund receives a portion of the Village’s water surcharge from residents to retire debt associated with the water plant expansion, upgrading of Village water meters, and the purchase of a new water truck.

Water Improvement Fund – This fund receives a portion of the Village’s water surcharge from residents to cover the cost of improving the Village’s water plant.

6. Fiduciary Fund (Agency Fund)

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

Mayor’s Court Fund – This fund receives fines and forfeitures from the Mayor’s Court to be distributed to the Village, State of Ohio, and other local governments.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2009 and 2008 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

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

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	<u>2009</u>	<u>2008</u>
Demand deposits	\$ 58,000	\$ 58,000
Repurchase agreement	553,797	557,037
Total deposits and investments	<u>\$ 611,797</u>	<u>\$ 615,037</u>

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

Investments: The Village's financial institution transfers securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 93,597	\$ 81,998	\$ (11,599)
Special Revenue	257,044	254,283	(2,761)
Enterprise	187,200	177,689	(9,511)
Total	<u>\$ 537,841</u>	<u>\$ 513,970</u>	<u>\$ (23,871)</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 103,360	\$ 97,260	\$ 6,100
Special Revenue	294,457	235,103	59,354
Enterprise	214,006	196,494	17,512
Total	<u>\$ 611,823</u>	<u>\$ 528,857</u>	<u>\$ 82,966</u>

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 88,142	\$ 88,202	\$ 60
Special Revenue	230,305	241,855	11,550
Debt Service	13,970	13,970	-
Enterprise	182,950	194,514	11,564
Total	<u>\$ 515,367</u>	<u>\$ 538,541</u>	<u>\$ 23,174</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 134,780	\$ 128,687	\$ 6,093
Special Revenue	363,252	277,582	85,670
Debt Service	13,970	13,970	-
Enterprise	206,255	158,510	47,745
Total	<u>\$ 718,257</u>	<u>\$ 578,749</u>	<u>\$ 139,508</u>

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

4. PROPERTY TAXES

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village. Tangible personal property taxes are assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. DEBT

Debt outstanding at December 31, 2009 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
1987 OWDA Loan No. 1960	\$ 14,363	9.48%
1987 OWDA Loan No. 1961	30,750	8.48%
1987 OWDA Loan No. 1962	23,016	8.07%
2005 Bank of Magnolia Dump Truck	18,984	5.00%
Total	<u>\$ 87,113</u>	

The Ohio Water Development Authority (OWDA) loans relate to a water plant expansion project that was mandated by the Ohio Environmental Protection Agency. The loans will be repaid in semiannual installments as follows: \$5,397, including interest, over 24 years for loan no. 1960; \$11,416, including interest, over 24 years for loan no. 1961; and \$8,450, including interest, over 22 years for loan no. 1962. The loan is collateralized by water surcharge receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Consumers National Bank pumper truck loan was obtained for the purchase of a pumper truck for the Village's Volunteer Fire Department. The prior audit report stated an incorrect balance of \$20,235. This loan had an actual balance of \$20,709 at December 31, 2007. This loan was paid off in 2008.

The Bank of Magnolia dump truck loan was obtained for the purchase of a dump truck for Village use. The note will be repaid in annual installments of \$10,021, including interest, over six years. The loan is collateralized by the goods or property being purchased.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

5. DEBT (Continued)

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

Year Ending December 31:	OWDA Loan No. 1960	OWDA Loan No. 1961	OWDA Loan No. 1962	Bank of Magnolia Dump Truck Loan
2010	\$ 10,794	\$ 22,832	\$ 16,900	\$ 10,021
2011	10,794	22,832	16,900	10,021
Total	<u>\$ 21,588</u>	<u>\$ 45,664</u>	<u>\$ 33,800</u>	<u>\$ 20,042</u>

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Fund (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2009 and 2008, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. OPERS members contributed 10% of their wages. The Village contributed an amount equal to 14% of participants' gross salaries for 2009 and 2008. The Village has paid all contributions required through December 31, 2009.

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Commercial Auto Coverage
- Commercial Inland Marine
- General Liability
- Commercial Property Coverage
- Public Officials Liability
- Police Professional Liability

Health and Insurance

The Village's Police Chief, Superintendent, and Assistant Superintendent receive health insurance coverage through Aultcare.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

8. STARK COUNTY COUNCIL OF GOVERNMENTS

The Stark Council of Governments (SCOG) is a jointly governed organization. SCOG is a regional council of governments formed under chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by its membership, including Stark County, and other cities, villages, and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and performs accounting and finance related activities. Continued existence of the agency is not dependent on the Village's continued participation nor does the Village have an equity interest in the SCOG. The SCOG is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden to the Village. Complete financial statements may be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

9. STARK COUNTY REGIONAL PLANNING COMMISSION

The Village participates in the Stark County Regional Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Stark County, and other cities, villages, and townships. The principal aim of the Commission is to provide comprehensive planning, both long and short-term, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission including budgeting, appropriating, contracting, and designating management. The Village has no financial responsibility for any of the Commission's liabilities. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

10. STARK QUAD AMBULANCE DISTRICT

Stark QUAD Ambulance District (the District) is a body corporate and politic established for the purpose of providing public emergency ambulance services for the residents of the Stark QUAD Ambulance District which includes the Village of Magnolia and Waynesburg, and Sandy and Rose Townships. The District is directed by a Board of Trustees consisting of four members. One Board Member is appointed by each political subdivision with the District. The District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden to the Village.

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

September 22, 2010

Village of Waynesburg
Stark County
P.O. Box 610
Waynesburg, OH 44688

To the Honorable Mayor and Members of Village Council:

We have audited the financial statements of the **Village of Waynesburg, Stark County, Ohio** (the Village) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 22, 2010 wherein we noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-003 described in the accompanying schedule of findings to be a material weakness.

Internal Control over Financial Reporting (Continued)

A significant deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2009-001 and 2009-002 described in the accompanying schedule of findings to be significant deficiencies.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2009-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated September 22, 2010.

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

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2009-001

Significant Deficiency/Noncompliance Citation

Ohio Rev. Code Section 135.21 states that interest earned on monies deposited by a treasurer which do not belong in the treasury of the subdivision, due to their status as custodial funds, because she is acting as ex officio treasurer, or otherwise, generally must be apportioned to the funds to which the principal belongs (including undivided tax funds); all other interest must be credited to the General Fund of the subdivision, with the following exceptions:

- Interest earned on money derived from a motor vehicle license or fuel tax must follow the principal (Article XII, Section 5a, Ohio Const. And 1982 Op. Atty Gen. No. 82-031.)
- Interest earned on money received from the federal government may be due to the fund to which the principal belongs.
- Interest earned on principal of a non-expendable trust fund that has been established for the purpose of receiving donations or contributions that the donor or contributor requires to be maintained intact must be credited to the non-expendable trust fund to which the principal belongs.

All interest was posted to the General Fund in 2008. There was no allocation of interest made to the Motor Vehicle License Tax Fund or the Street, Construction, Maintenance and Repair Fund in 2008.

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

FINDING NUMBER 2009-002

Significant Deficiency

Estimated Receipts

The Village did not post estimated receipts to the accounting system. Estimated receipts certified with the County Auditor should agree to the estimated receipts posted to the Village's accounting system. The Village obtained the proper certification of estimated receipts from the County Auditor, but failed to post estimated receipts in the accounting system. In manually preparing the Annual Financial Report, the Clerk recorded the estimated receipts from the last Amended Certificate of Estimated Resources filed with the County Auditor.

By not posting estimated receipts to the accounting system, the Village lacked a significant management control of monitoring year-to-date total comparison of budgeted amounts versus actual amounts.

We recommend the Village implement procedures to ensure estimated receipts are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment. We also recommend the Clerk provide Village Council with budget versus actual revenue reports on a regular basis for review and approval.

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

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-003

Material Weakness

Posting Receipts

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

During 2008 and 2009, several receipts were not posted into accurate classifications based on the source of the receipt. The following posting errors were noted:

- Property Tax receipts were recorded to Intergovernmental instead of Property Tax and Other Local Taxes
- Intergovernmental receipts were recorded to Miscellaneous instead of Intergovernmental

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

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

We also recommend the Fiscal Officer refer to Ohio Administrative Code Section and/or the Ohio Village Handbook for guidance to determine the proper establishment of receipt accounts and posting of receipts.

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

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	5705.41(D) – Expenditures were not properly encumbered	No	Repeated in Management Letter
2007-002	135.21 – Interest were not properly allocated	No	Repeated as Finding 2009-001
2007-003	Estimated Receipts – Estimated receipts were not properly recorded to the accounting system	No	Repeated as Finding 2009-002
2007-004	Posting Receipts and Expenditures – Receipts and Expenditures were not posted to the proper account	No	Repeated as Finding 2009-003



Mary Taylor, CPA
Auditor of State

VILLAGE OF WAYNESBURG

STARK 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
NOVEMBER 18, 2010**