

**VILLAGE OF WAYNESBURG
STARK COUNTY
Regular Audit
For the Years Ended December 31, 2011 and 2010**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • 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, 2010 through December 31, 2011. 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.

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

Dave Yost
Auditor of State

August 6, 2012

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**VILLAGE OF WAYNESBURG
STARK COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

June 25, 2012

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

To the 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, 2011 and 2010. 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 State permits, but does not require governments 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, 2011 and 2010 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, 2011 and 2010 or its changes in financial position or cash flows, where applicable for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010 and the reserves for encumbrances as of December 31, 2010 of the Village of Waynesburg, Stark County, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1F, during 2011 the Village of Waynesburg adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2012, 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, 2011**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Other Local Taxes	\$ 42,780	\$ 111,017	\$ 153,797
Intergovernmental	29,896	64,457	94,353
Charges for Services	-	65,909	65,909
Fines, Licenses and Permits	22,008	75	22,083
Earnings on Investments	760	1,085	1,845
Miscellaneous	9,333	14,853	24,186
	<u>104,777</u>	<u>257,396</u>	<u>362,173</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	37,866	75,736	113,602
Public Health Services	-	21,542	21,542
Transportation	-	21,232	21,232
General Government	48,541	82,847	131,388
Capital Outlay	-	23,958	23,958
Debt Service:			
Principal Retirement	2,277	6,830	9,107
Interest and Fiscal Charges	229	687	916
	<u>88,913</u>	<u>232,832</u>	<u>321,745</u>
Total Cash Disbursements			
Excess of Receipts Over (Under) Disbursements	<u>15,864</u>	<u>24,564</u>	<u>40,428</u>
Other Financing Receipts:			
Sale of Fixed Assets	-	4,000	4,000
	<u>-</u>	<u>4,000</u>	<u>4,000</u>
Total Other Financing Receipts			
Net Change in Fund Cash Balances	<u>15,864</u>	<u>28,564</u>	<u>44,428</u>
Fund Cash Balances, January 1	<u>28,117</u>	<u>243,930</u>	<u>272,047</u>
Fund Cash Balance, December 31			
Restricted	-	272,494	272,494
Unassigned	43,981	-	43,981
	<u>43,981</u>	<u>272,494</u>	<u>316,475</u>
Fund Cash Balance, December 31	<u>\$ 43,981</u>	<u>\$ 272,494</u>	<u>\$ 316,475</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, 2011**

	<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	\$ 129,691	\$ -	129,691
Total Operating Cash Receipts	<u>129,691</u>	<u>-</u>	<u>129,691</u>
Operating Cash Disbursements:			
Personal Services	29,225	-	29,225
Travel Transportation	2,889	-	2,889
Contractual Services	39,589	-	39,589
Supplies and Materials	22,819	-	22,819
Total Operating Cash Disbursements	<u>94,522</u>	<u>-</u>	<u>94,522</u>
Operating Income	<u>35,169</u>	<u>-</u>	<u>35,169</u>
Non-Operating Receipts (Disbursements)			
Other Non-Operating Cash Receipts	-	26,725	26,725
Other Non-Operating Cash Disbursements	-	(26,745)	(26,745)
Capital Outlay	(223)	-	(223)
Principal Retirement	(23,429)	-	(23,429)
Interest and Other Fiscal Charges	(1,472)	-	(1,472)
Total Non-Operating Receipts (Disbursements)	<u>(25,124)</u>	<u>(20)</u>	<u>(25,144)</u>
Net Change in Fund Cash Balances	10,045	(20)	10,025
Fund Cash Balances, January 1	<u>387,579</u>	<u>340</u>	<u>387,919</u>
Fund Cash Balances, December 31	<u>\$ 397,624</u>	<u>\$ 320</u>	<u>\$ 397,944</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, 2010**

	<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	\$ 28,334	\$ 120,003	\$ 148,337
Intergovernmental	48,056	63,698	111,754
Charges for Services	-	40,589	40,589
Fines, Licenses, and Permits	25,357	-	25,357
Earnings on Investments	599	1,753	2,352
Miscellaneous	9,671	2,919	12,590
	<u>112,017</u>	<u>228,962</u>	<u>340,979</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	44,875	78,174	123,049
Public Health Services	-	21,253	21,253
Transportation	-	15,537	15,537
General Government	45,782	72,649	118,431
Capital Outlay	-	9,916	9,916
Debt Service:			
Redemption of Principal	2,103	6,310	8,413
Interest and Fiscal Charges	402	1,206	1,608
	<u>93,162</u>	<u>205,045</u>	<u>298,207</u>
Total Cash Disbursements			
Excess of Receipts Over (Under) Disbursements	18,855	23,917	42,772
Other Financing Receipts:			
Sale of Fixed Assets	-	1,700	1,700
	<u>-</u>	<u>1,700</u>	<u>1,700</u>
Total Other Financing Receipts			
Net Change in Fund Cash Balances	18,855	25,617	44,472
Fund Cash Balances, January 1	9,262	218,313	227,575
	<u>9,262</u>	<u>218,313</u>	<u>227,575</u>
Fund Cash Balances, December 31	<u>\$ 28,117</u>	<u>\$ 243,930</u>	<u>\$ 272,047</u>
Reserve for Encumbrances, December 31	<u>\$ 108</u>	<u>\$ 9,304</u>	<u>\$ 9,412</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, 2010**

	<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	\$ 168,511	\$ -	168,511
Total Operating Cash Receipts	<u>168,511</u>	<u>-</u>	<u>168,511</u>
Operating Cash Disbursements:			
Personal Services	30,800	-	30,800
Travel Transportation	2,711	-	2,711
Contractual Services	57,597	-	57,597
Supplies and Materials	22,723	-	22,723
Total Operating Cash Disbursements	<u>113,831</u>	<u>-</u>	<u>113,831</u>
Operating Income	<u>54,680</u>	<u>-</u>	<u>54,680</u>
Non-Operating Receipts (Disbursements)			
Other Non-Operating Cash Receipts	-	30,823	30,823
Other Non-Operating Cash Disbursements	-	(31,053)	(31,053)
Capital Outlay	(1,283)	-	(1,283)
Principal Retirement	(44,698)	-	(44,698)
Interest and Other Fiscal Charges	(4,772)	-	(4,772)
Total Non-Operating Receipts (Disbursements)	<u>(50,753)</u>	<u>(230)</u>	<u>(50,983)</u>
Net Change in Fund Cash Balances	3,927	(230)	3,697
Fund Cash Balances, January 1	<u>383,652</u>	<u>570</u>	<u>384,222</u>
Fund Cash Balances, December 31	<u>\$ 387,579</u>	<u>\$ 340</u>	<u>\$ 387,919</u>
Reserve for Encumbrances, December 31	<u>\$ 1,346</u>	<u>\$ 340</u>	<u>\$ 1,686</u>

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

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Waynesburg, Stark County (the Village), as a body corporate and politic. A publicly elected six-member Council directs the Village. 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 participates in three jointly governed organizations. Notes 8-10 to the financial statements provides additional information for these entities.

Stark County Council of Governments:

Jointly governed organization that funds and operates the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab.

Stark County Regional Planning Commission:

Jointly governed organization that provides comprehensive planning, both long and short-term, dealing with the economic and physical environment of Stark County.

Stark Quad Ambulance District:

Body corporate and politic established for the purpose of providing public emergency services for the residents of the Stark QUAD Ambulance District.

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

B. Accounting Basis

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits 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.

The Village invests in a repurchase agreement (overnight sweep).

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010
(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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

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

Cemetery Fund - This fund receives monies from the sale of cemetery lots and charges for the 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. 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 has 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.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Fiduciary Fund (Agency Fund)

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 government. The Village's agency fund accounts for:

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 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 Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

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

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 required by Ohio law.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance

For December 31, 2011, 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:

1. Nonspendable

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

2. 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.

3. 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.

4. 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.

5. 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.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property, Plant and Equipment

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

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2011	2010
Demand deposits	\$ 58,000	\$ 58,000
Repurchase agreement	656,419	601,966
Total deposits and investments	\$ 714,419	\$ 659,966

Deposits: are insured by the Federal Deposit Insurance Corporation; or 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.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 104,798	\$ 104,777	\$ (21)
Special Revenue	260,550	261,396	846
Enterprise	129,689	129,691	2
Total	\$ 495,037	\$ 495,864	\$ 827

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 99,205	\$ 88,913	\$ 10,292
Special Revenue	300,191	232,832	67,359
Enterprise	252,750	119,646	133,104
Total	\$ 652,146	\$ 441,391	\$ 210,755

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 112,125	\$ 112,017	\$ (108)
Special Revenue	225,721	230,662	4,941
Enterprise	182,200	168,511	(13,689)
Total	\$ 520,046	\$ 511,190	\$ (8,856)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 95,448	\$ 93,270	\$ 2,178
Special Revenue	272,846	214,349	58,497
Enterprise	247,512	165,930	81,582
Total	\$ 615,806	\$ 473,549	\$ 142,257

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

5. DEBT

All debt outstanding at December 31, 2009 was paid in full during the audit period.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

6. RETIREMENT SYSTEMS

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

The Ohio Revised Code prescribes contribution rates. For 2011 and 2010, OP&F participants contributed 10% of their wages. For 2011 and 2010, the Village contributed to OP&F an amount equal to 19.5% of full-time police member's wages. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equal to 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2011.

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.

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.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

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**

June 25, 2012

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

To the 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, 2011 and 2010, and have issued our report thereon dated June 25, 2012, 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 and has adopted Governmental Accounting Standards Board Statement No. 54. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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 findings 2011-001 and 2011-002 described in the accompanying schedule of audit findings to be material weaknesses.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 25, 2012.

The Village's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

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

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2011-001

Material Weakness

Police Ticket Log

The Police Department failed to maintain a citation log for the entire audit period. The purpose of a citation log is to maintain an independent record of all citations issued. The citation log should account for all pre-numbered traffic tickets and minor misdemeanor tickets. Not maintaining a log of tickets issued reduces the assurance that all citations or cases and their related fines and court costs have been properly accounted for. To help prevent recording errors and add assurance that all court cases have been documented, the Police Department should account for every citation issued on a citation log. We also recommend the ticket log should be reconciled to the docket on a periodic basis.

Management's Response – The Village is in the process of correction.

FINDING NUMBER 2011-002

Material Weakness

Mayor's Court

Upon our review of the Village's Mayor's Court, we could find no evidence the Village monitors outstanding fines nor could we find a formal policy for the collection of outstanding fines. Upon discussion with staff, an outstanding fines list is not generated. Council is responsible for monitoring revenue collections of the Village. They receive financial information from the Village Fiscal Officer at their monthly meetings, however, a list of outstanding fines is not provided. As a result of not reviewing and addressing outstanding fines, the Village may be losing revenues due them.

We recommend the Village Fiscal Officer provide to Village Council a complete listing of all outstanding fines at least quarterly. We also recommend the Village establish a formal policy detailing the procedures to be utilized for collecting on outstanding fines. The Village should contact their solicitor in establishing said policy.

Management's Response – The Village is in the process of correction.

**VILLAGE OF WAYNESBURG
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	ORC 135.21 – Improperly allocating interest receipts	Yes	N/A
2009-002	Estimated Receipts	Yes	N/A
2009-003	Posting Receipts	Yes	N/A



Dave Yost • 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
AUGUST 16, 2012