



Dave Yost • Auditor of State

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY
DECEMBER 31, 2016 AND 2015**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Senecaville
Guernsey County
200 West Alley, P.O. Box 5
Senecaville, Ohio 43780

To 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 the Village of Senecaville, Guernsey County, Ohio (the Village), as of and for the years ended December 31, 2016 and 2015.

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 § 117.38 and Ohio Administrative Code § 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 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.

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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 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 § 117.38 and Ohio Administrative Code § 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, 2016 and 2015, or changes in financial position thereof for the years then ended.

Basis of Additional Opinion Qualification

Fines, Licenses and Permits receipts are reported at \$7,838 and \$3,711 for the years ended December 31, 2016 and 2015, respectively, which is 100 percent of total Agency Fund operating receipts for the years ended December 31, 2016 and 2015. We were unable to obtain sufficient appropriate audit evidence supporting the occurrence, completeness and existence of transactions recorded as fines, licenses and permits receipts. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Additional Opinion Qualification

In our opinion, except for the possible effects on the matter described in the *Basis of Additional Opinion Qualification* paragraph, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Agency Fund of the Village of Senecaville, Guernsey County, Ohio as of December 31, 2016 and 2015, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 2.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion the financial statements referred to above present fairly, in all material respects, the combined cash balances of the General, Special Revenue, Capital Projects, Debt Service and Enterprise funds of the Village of Senecaville, Guernsey County, Ohio, as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2017, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

November 13, 2017

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**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$9,213	\$31,662	\$0	\$0	\$40,875
Intergovernmental	17,722	26,449	0	1,724	45,895
Special Assessments	0	0	2,368	0	2,368
Charges for Services	92	25,401	0	0	25,493
Fines, Licenses and Permits	5,414	30	0	0	5,444
Earnings on Investments	361	13	0	0	374
Miscellaneous	1,652	2,671	0	0	4,323
<i>Total Cash Receipts</i>	<u>34,454</u>	<u>86,226</u>	<u>2,368</u>	<u>1,724</u>	<u>124,772</u>
Cash Disbursements					
Current:					
Security of Persons and Property	27,825	29,030	0	0	56,855
Public Health Services	120	780	0	0	900
Leisure Time Activities	1,412	130	0	0	1,542
Transportation	0	34,666	0	0	34,666
General Government	26,320	2,067	118	0	28,505
Capital Outlay	0	0	0	7,267	7,267
<i>Total Cash Disbursements</i>	<u>55,677</u>	<u>66,673</u>	<u>118</u>	<u>7,267</u>	<u>129,735</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(21,223)</u>	<u>19,553</u>	<u>2,250</u>	<u>(5,543)</u>	<u>(4,963)</u>
Other Financing Receipts (Disbursements)					
Transfers In	0	0	0	218	218
Transfers Out	(218)	0	0	0	(218)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(218)</u>	<u>0</u>	<u>0</u>	<u>218</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>(21,441)</u>	<u>19,553</u>	<u>2,250</u>	<u>(5,325)</u>	<u>(4,963)</u>
<i>Fund Cash Balances, January 1</i>	<u>63,177</u>	<u>115,551</u>	<u>259</u>	<u>62,318</u>	<u>241,305</u>
Fund Cash Balances, December 31					
Restricted	0	135,104	2,509	56,993	194,606
Assigned	33,845	0	0	0	33,845
Unassigned (Deficit)	7,891	0	0	0	7,891
<i>Fund Cash Balances, December 31</i>	<u>\$41,736</u>	<u>\$135,104</u>	<u>\$2,509</u>	<u>\$56,993</u>	<u>\$236,342</u>

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

**VILLAGE OF SENECVILLE
GUERNSEY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE (CASH BASIS)
PROPRIETARY AND FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$124,420	\$0	\$124,420
Fines, Licenses and Permits	0	7,838	7,838
<i>Total Operating Cash Receipts</i>	<u>124,420</u>	<u>7,838</u>	<u>132,258</u>
Operating Cash Disbursements			
Personal Services	30,926	0	30,926
Employee Fringe Benefits	3,044	0	3,044
Contractual Services	51,119	0	51,119
Supplies and Materials	15,919	0	15,919
Other	0	7,655	7,655
<i>Total Operating Cash Disbursements</i>	<u>101,008</u>	<u>7,655</u>	<u>108,663</u>
<i>Operating Income</i>	<u>23,412</u>	<u>183</u>	<u>23,595</u>
Non-Operating Receipts (Disbursements)			
Miscellaneous Receipts	5,416	0	5,416
Capital Outlay	(5,294)	0	(5,294)
Principal Retirement	(34,426)	0	(34,426)
Interest and Other Fiscal Charges	(25,106)	0	(25,106)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(59,410)</u>	<u>0</u>	<u>(59,410)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(35,998)</u>	<u>183</u>	<u>(35,815)</u>
<i>Fund Cash Balances, January 1</i>	<u>183,187</u>	<u>461</u>	<u>183,648</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$147,189</u></u>	<u><u>\$644</u></u>	<u><u>\$147,833</u></u>

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

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

Note 1 - Reporting Entity

The Village of Senecaville (the Village), Guernsey 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 services include general government services, street maintenance, sewer utility services and park operations. The Village contracts with Richland Township for the police and fire protection services.

The Village participates in the Public Entities Pool of Ohio, a risk-sharing pool available to Ohio local governments that provides property and casualty coverage for its members. (Note 8 to the financial statements provide addition information for this entity)

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.

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code §117.38 and Ohio Administrative Code § 117-2-03(D). This basis is similar to the cash receipts and disbursement accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentation 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 provision of Ohio Revised Code § 117-2-03(D) permit.

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.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Accounting

Special Revenue Funds These funds account for and report the proceeds of specific revenue 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 – This fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining, and repairing Village streets.

Fire Levy Fund – This fund receives money from a tax levy approved by voters to provide fire protection services for the Village.

Police Levy Fund – This fund receives money from a tax levy approved by voters to provide police protection service for the Village

Debt Service Fund This fund accounts for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Special Assessment Debt Service Fund – This fund receives special assessment monies for the repayment of debt relating to sewer engineering costs.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Funds:

Municipal Building Construction Fund - The municipal building construction fund accounts for the potential construction of a new municipal building.

Issue II Fund – This fund received proceeds of an Issue II grant for capital projects.

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:

Sewer Operating Fund - The sewer fund receives charges for services from resident to cover sewer service cost. .

Sewer Debt Fund – This fund receives an allocation of sewer revenues for retirement of debts.

Fiduciary 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 Agency Fund.

Mayors Court Fund – This fund accounts for the financial activity of the Mayor’s Court.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees 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 individual commitments are made. Encumbrances outstanding at year-end are cancelled and reappropriated in the subsequent year.

A summary of 2016 budgetary activity appears in Note 3.

Deposits

The Village pools all available funds of the Village in an interest-bearing checking account.

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 SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance

Fund balance is divided into three 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:

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.

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 Trustees 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 (assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, assigned amounts are reduced first followed by unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$26,302	\$34,454	\$8,152
Special Revenue	101,398	86,226	(15,172)
Debt Service	2,452	2,368	(84)
Capital Projects	8,002	1,724	(6,278)
Enterprise	113,027	129,836	16,809
Total	\$251,181	\$254,608	\$3,427

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)**

Note 3 - Budgetary Activity (Continued)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$69,612	\$55,895	\$13,717
Special Revenue	169,092	66,673	102,419
Debt Service	2,500	118	2,382
Capital Projects	62,818	7,267	55,551
Enterprise	286,061	165,834	120,227
Total	\$590,083	\$295,787	\$294,296

Note 4 - 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:

	2016
Demand deposits	\$384,175

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Note 5 - Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees 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.

Note 6 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Village's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)**

Note 6 - Defined Benefit Pension Plans (Continued)

Ohio Public Employees Retirement System

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, 2016.

Social Security

Some of the Village's elected officials contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees and some elected officials contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all

Note 7 - Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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 of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

Note 8 - Risk Management

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

During 2016, there were no losses that exceeded insurance coverage.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)**

Note 8 – Risk Management (Continued)

Risk Pool Membership

The Village belongs to the Public Entities Poll of Ohio (PEP), a risk-sharing poll available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), function as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member government pay annual contributions to fund PEP. PEP pays judgements, settlements, and other expenses resulting from covered claims that exceed the member's deductibles.

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2016
Cash and investments	\$42,182,281
Actuarial liabilities	(\$13,396,700)
Net Position	\$28,785,581

Note 9 – Debt

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan	\$69,450	0%
US Dept. of Agriculture Bonds	539,891	4.50%
Total	\$603,554	

The Ohio Public Works Commission interest free loan (OPWC) obtained in 2002 relates to improvements to the Village sewer system. The loan will be repaid in semiannual installments of \$5,787.00, over 20 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The USDA Rural Development Sanitary Sewer Mortgage Revenue Bonds were obtained in June of 2002 for the purpose of paying cost of constructing and improvements to the Village's sewer system. The bonds were scheduled to be repaid over 40 years however the Village has made additional principal payments resulting in the bonds being retired in less than 40 years. The bonds are secured by the revenues generated by the sewer system and mortgage upon the sewer system. The village has agreed to set sewer rates sufficient to cover the debt service requirements. As require by the mortgage revenue covenant, the Village has established and funded a Sewer Debt Sinking Fund and Sewer Debt Reserve Fund.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)**

Note 9 – Debt (Continued)

Amortization

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

Year ending December 31:	OPWC	
	<u>Loan</u>	<u>USDA</u>
2017	\$11,575	\$39,495
2018	11,575	39,511
2019	11,575	39,595
2020	11,575	39,544
2021	11,575	39,561
2022-2026	11,575	197,682
2027-2031	0	197,600
2032-2036	0	197,726
2037-2038	0	65,696
Total	<u>\$69,450</u>	<u>\$856,410</u>

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$8,521	\$30,762	\$0	\$0	\$39,283
Intergovernmental	36,926	28,112	0	3,713	68,751
Special Assessments	0	0	28,791	0	28,791
Charges for Services	0	25,899	0	0	25,899
Fines, Licenses and Permits	2,502	0	0	0	2,502
Earnings on Investments	464	24	0	0	488
Miscellaneous	343	2,253	0	0	2,596
<i>Total Cash Receipts</i>	<u>48,756</u>	<u>87,050</u>	<u>28,791</u>	<u>3,713</u>	<u>168,310</u>
Cash Disbursements					
Current:					
Security of Persons and Property	6,417	31,954	0	0	38,371
Public Health Services	0	2,094	0	0	2,094
Leisure Time Activities	369	0	0	0	369
Transportation	0	41,410	0	0	41,410
General Government	29,952	2,172	283	0	32,407
Debt Service:					
Principal Retirement	0	0	27,621	0	27,621
Interest and Fiscal Charges	0	0	766	0	766
<i>Total Cash Disbursements</i>	<u>36,738</u>	<u>77,630</u>	<u>28,670</u>	<u>0</u>	<u>143,038</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>12,018</u>	<u>9,420</u>	<u>121</u>	<u>3,713</u>	<u>25,272</u>
Other Financing Receipts (Disbursements)					
Transfers In	0	0	0	492	492
Transfers Out	(492)	0	0	0	(492)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(492)</u>	<u>0</u>	<u>0</u>	<u>492</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	11,526	9,420	121	4,205	25,272
<i>Fund Cash Balances, January 1</i>	<u>51,651</u>	<u>106,131</u>	<u>138</u>	<u>58,113</u>	<u>216,033</u>
Fund Cash Balances, December 31					
Restricted	0	115,551	259	62,318	178,128
Assigned	48,538	0	0	0	48,538
Unassigned (Deficit)	14,639	0	0	0	14,639
<i>Fund Cash Balances, December 31</i>	<u>\$63,177</u>	<u>\$115,551</u>	<u>\$259</u>	<u>\$62,318</u>	<u>\$241,305</u>

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE (CASH BASIS)
PROPRIETARY AND FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$117,978	\$0	\$117,978
Fines, Licenses and Permits	0	3,711	3,711
<i>Total Operating Cash Receipts</i>	<u>117,978</u>	<u>3,711</u>	<u>121,689</u>
Operating Cash Disbursements			
Personal Services	23,902	0	23,902
Employee Fringe Benefits	3,260	0	3,260
Contractual Services	22,508	0	22,508
Supplies and Materials	17,486	0	17,486
Other	0	3,552	3,552
<i>Total Operating Cash Disbursements</i>	<u>67,156</u>	<u>3,552</u>	<u>70,708</u>
<i>Operating Income (Loss)</i>	<u>50,822</u>	<u>159</u>	<u>50,981</u>
Non-Operating Receipts (Disbursements)			
Miscellaneous Receipts	3,930	0	3,930
Capital Outlay	(15,529)	0	(15,529)
Principal Retirement	(25,575)	0	(25,575)
Interest and Other Fiscal Charges	(25,582)	0	(25,582)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(62,756)</u>	<u>0</u>	<u>(62,756)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(11,934)</u>	<u>159</u>	<u>(11,775)</u>
<i>Fund Cash Balances, January 1</i>	<u>195,121</u>	<u>302</u>	<u>195,423</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$183,187</u></u>	<u><u>\$461</u></u>	<u><u>\$183,648</u></u>

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

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Note 1 - Reporting Entity

The Village of Senecaville (the Village), Guernsey 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 services include general government services, street maintenance, sewer utility services and park operations. The Village contracts with Richland Township for the police and fire protection services.

The Village participates in the Public Entities Pool of Ohio, a risk-sharing pool available to Ohio local governments that provides property and casualty coverage for its members. (Note 8 to the financial statements provide addition information for this entity)

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.

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code §117.38 and Ohio Administrative Code § 117-2-03(D). This basis is similar to the cash receipts and disbursement accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentation 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 provision of Ohio Revised Code § 117-2-03(D) permit.

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.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Accounting

Special Revenue Funds These funds account for and report the proceeds of specific revenue 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 – This fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining, and repairing Village streets.

Fire Levy Fund – This fund receives money from a tax levy approved by voters to provide fire protection services for the Village.

Police Levy Fund – This fund receives money from a tax levy approved by voters to provide police protection service for the Village

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds

Special Assessment Debt Service Fund – This fund receives special assessment monies for the repayment of debt relating to sewer engineering costs.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

Municipal Building Construction Fund - The municipal building construction fund accounts for the potential construction of a new municipal building.

Issue II Fund – This fund received proceeds of an Issue II grant for capital projects.

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:

Sewer Operating Fund - The sewer fund receives charges for services from resident to cover sewer service cost. .

Sewer Debt Fund – This fund receives an allocation of sewer revenues for retirement of debts.

Fiduciary 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.

Mayors Court Fund – This fund accounts for the financial activity of the Mayor’s Court.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees 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 individual commitments are made. Encumbrances outstanding at year-end are cancelled and reappropriated in the subsequent year.

A summary of 2015 budgetary activity appears in Note 3.

Deposits

The Village pools all available funds of the Village in an interest-bearing checking account.

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 SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance

Fund balance is divided into three 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:

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.

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 Trustees 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 (assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, assigned amounts are reduced first followed by unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2015 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$41,572	\$48,756	\$7,184
Special Revenue	89,934	87,050	(2,884)
Debt Service	28,750	28,791	41
Capital Projects	4,213	4,205	(8)
Enterprise	113,140	121,908	8,768
Total	\$277,609	\$290,710	\$13,101

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

Note 3 - Budgetary Activity (Continued)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$69,155	\$37,230	\$31,925
Special Revenue	177,403	77,630	99,773
Debt Service	28,885	28,670	215
Capital Projects	62,326	0	62,326
Fiduciary	302,861	133,842	169,019
Total	\$640,630	\$277,372	\$363,258

Note 4 - 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:

	2015
Demand deposits	\$424,953

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Note 5 - Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees 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.

Note 6 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Village's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

Note 6 - Defined Benefit Pension Plans (Continued)

Ohio Public Employees Retirement System

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, 2015.

Social Security

Some of the Village's elected officials contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees and some elected officials contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

Note 7 - Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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 of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

Note 8 - Risk Management

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

During 2015, there were no losses that exceeded insurance coverage.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

Note 8 – Risk Management (Continued)

Risk Pool Membership

The Village belongs to the Public Entities Poll of Ohio (PEP), a risk-sharing poll available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), function as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member government pay annual contributions to fund PEP. PEP pays judgements, settlements, and other expenses resulting from covered claims that exceed the member's deductibles.

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2015
Cash and investments	\$38,307,677
Actuarial liabilities	(\$12,759,127)
Net Position	\$25,548,550

Note 9 – Debt

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan	\$75,238	0.00%
Ohio Water Development Authority Loan	14,039	2.20%
US Dept. of Agriculture Bonds	554,491	4.50%
Total	\$643,768	

The Ohio Public Works Commission interest free loan (OPWC) obtained in 2002 relates to improvements to the Village sewer system. The loan will be repaid in semiannual installments of \$5,787, over 20 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The USDA Rural Development Sanitary Sewer Mortgage Revenue Bonds were obtained in June of 2002 for the purpose of paying cost of constructing and improvements to the Village's sewer system. The bonds were scheduled to be repaid over 40 years however the Village has made additional principal payments resulting in the bonds being retired in less than 40 years. The bonds are secured by the revenues generated by the sewer system and mortgage upon the sewer system. The village has agreed to set sewer rates sufficient to cover the debt service requirements. As require by the mortgage revenue covenant, the Village has established and funded a Sewer Debt Sinking Fund and Sewer Debt Reserve Fund.

**VILLAGE OF SENECVILLE
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

Note 9 – Debt (Continued)

The Ohio Water Development Authority (OWDA) loan obtained in 1995 relates to a sewer system expansion project that was mandated by the Ohio Environmental Protection Agency. The Loan will be repaid in semiannual installments of \$14,192, including interest, over 20 years. The Loan is secured by property taxes and sewer receipts (if not enough in taxes). The Village has agreed to set special assessments sufficient to cover OWDA debt service requirements.

Amortization

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

Year ending December 31:	OWDA Loan	OPWC Loan	USDA
2016	\$14,192	\$5,788	\$39,552
2017	0	11,575	39,495
2018	0	11,575	39,511
2019	0	11,575	39,595
2020	0	11,575	39,544
2021	0	11,575	39,561
2022-2026	0	11,575	197,682
2027-2031	0	0	197,600
2032-2036	0	0	197,726
2037-2038	0	0	65,696
Total	<u>\$14,192</u>	<u>\$75,238</u>	<u>\$895,962</u>



Dave Yost • Auditor of State

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

Village of Senecaville
Guernsey County
202 West Alley, P.O. Box 5
Senecaville, Ohio 43780

To 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 Senecaville, Guernsey County, Ohio (the Village), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, and have issued our report thereon dated November 13, 2017, wherein we noted the Village followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. We qualified our opinion on the Village's financial statements for the years ended December 31, 2016 and 2015 because we were unable to obtain sufficient appropriate audit evidence supporting the occurrence, completeness and existence of transactions recorded as fines, licenses and permits receipts in the Agency Fund.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or 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. We consider Findings 2016-001 and 2016-003 described in the accompanying Schedule of Findings to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Finding 2016-002 described in the accompanying Schedule of Findings to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 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 2016-002.

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

November 13, 2017

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015**

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

FINDING NUMBER 2016-001

Material Weakness

The Village should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets document compliance with finance-related legal and contractual requirements and prepare financial statements. As part of this accounting system, the Village should have procedures in place for a review of transactions posted by the Fiscal Officer.

As a result of audit procedures performed, misclassifications/adjustments were noted in the Village's financial statements are noted below:

- Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances in the financial statements. The Township improperly reported appropriations in excess of estimated receipts in the General Fund as unassigned instead of reporting the excess as assigned, in the amount of \$33,845 and 48,538 during 2016 and 2015, respectively.
- During 2016, the Village misposted February and August tax settlement sheets receipts for the Enterprise Fund to other-miscellaneous receipts instead of special assessment receipts, in the amount of \$8,497.
- During 2016, the Village paid state court costs payments from the 2902 Police Fund, Special Revenue fund type instead of the Mayor's Court, Agency fund, in the amount of \$637.
- During 2016, the Village posted Fines and Forfeitures from Mayor's Court to the 2902 Police Fund, Special Revenue fund type instead of the Mayor's Court, Agency fund, in the amount of \$5,389.
- During 2015, the Village misposted February and August tax settlement sheets receipts for the Enterprise Fund to other-miscellaneous receipts instead of special assessment receipts, in the amount of \$13,699.
- During 2015, the Village misposted Nature Works grant receipts to General fund other-miscellaneous receipts instead of Intergovernmental receipts, in the amount of \$21,705.
- During 2015, the Village paid state court costs payments from the 2902 Police Fund, Special Revenue fund type instead of the Mayor's Court, Agency fund, in the amount of \$1,052
- During 2015, the Village posted Fines and Forfeitures from Mayor's Court to the 2902 Police Fund, Special Revenue fund type instead of the Mayor's Court, Agency fund, in the amount of \$3,711.

These reclassifications and adjustments were due to limited oversight by management. The significant reclassifications and adjustments, with which management agrees, were posted to the financial statements and the accounting system of the Village.

The Fiscal Officer should refer to the UAN Accounting & General Manual for proper receipt and expenditure classification to ensure the Village's accounting system and year-end financial statements are properly reported. Also, the Fiscal Officer should review Auditor of State Bulletin 2011-004 for proper reporting of fund balances. Someone independent of the Fiscal Officer, preferably a member of the Village Council, should periodically review postings to the accounting system for accuracy.

**VILLAGE OF SENECVILLE
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2016-002

Noncompliance Citation/Significant Deficiency

Ohio Rev. Code § 733.40 requires all fines, forfeitures and costs in ordinances cases and all fees that are collected by the Mayor, that come into the Mayor's hands, that are due to the Mayor and all money received by the Mayor for use of the municipal corporation be paid by the Mayor into the municipality on the first Monday of each month. At the first regular meeting of the legislative authority each month, the Mayor shall submit a full statement of money received, from whom and for what purposes received, and when paid into the treasury.

The Mayor's Court posted the fine and forfeiture monies into the 2902 Police Fund, Special Revenue Fund during 2015 and into the 2902 Police Fund, Special Revenue Fund and Mayor's Court Agency Fund during 2016. The state costs were paid to the State Treasury during 2015 and 2016 from the aforementioned funds. At December 31, 2016, the Village had not remitted the fine amounts due to the Village General Fund, in the amount of \$7,891. In addition, fees collected for Indigent Alcohol Treatment, per Ohio Rev. Code § 2949.094 were not remitted to the applicable agency, in the amount of \$132. In addition, the Village failed to remit the May 2016 State court costs, in the amount of \$75. As noted in Finding Number 2016-001, all Mayor's Court financial activity within the 2902 Police Fund, Special Revenue Fund has been adjusted to the Mayor's Court, Agency Fund. The aforementioned unremitted monies should be paid from the Mayor's Court Agency Fund.

The Village established a Mayor's Court Agency Fund for all court receipts and disbursements in 2016. All Court activity should be recorded in the Mayor's Court Fund and at the end of each month and all disbursements should be disbursed from the Mayor's Court Fund, including the Village portion of court fines to the Village's General Fund.

FINDING NUMBER 2016-003

Material Weakness

Ohio Admin. Code § 117-2-02(A) provides that, when designing the public office's system of internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data.

The police department citation log had many different sequences of ticket books issued out in the field. Citation books were not always issued to officers in the next sequence of tickets available. Additionally, ticket logs were not maintained by either the Mayor or the Village Marshal to assure completeness and accuracy over tickets issued.

As such, we were unable to satisfy ourselves as to the occurrence, existence and completeness of Fines, Licenses and Permits receipts recorded in the 2016 and 2015 Mayors Court Fund. We have modified the opinion accordingly. These receipts represent 100 percent of fines and forfeiture receipts of the 2016 and 2015 Mayor's Court Agency Fund.

Proper control should be maintained over issued and unissued tickets by the Village Marshall or Mayor's Court Clerk by ensuring:

VILLAGE OF SENECAVILLE
GUERNSEY COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015
(Continued)

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

FINDING NUMBER 2016-003 (Continued)

Material Weakness (Continued)

- Unissued ticket books are stored in a secure location.
- Tickets are issued in sequential order.
- All tickets are accounted for before the next book is issued.
- Any discrepancies are investigated promptly.
- A periodic (perhaps yearly) inventory is taken to determine the status of the issued tickets.
- All parts of a voided ticket are retained and stored in sequence with the other tickets. (Normally, the next ticket issued should replace the voided ticket.)

Officials' Response: We did not receive a response from Officials' to the Findings reported above.

VILLAGE OF SENECAVILLE – GUERNSEY COUNTY

P.O. Box 5
Senecaville, Ohio 43780-0005

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2016 AND 2015**

Finding Number	Finding Summary	Status	Additional Information
2014-001	Ohio Admin. Code § 117-2-02(A) cited and identified as a material weakness for material misstatements requiring audit adjustment.	Not Corrected	This resulted from an oversight by the Fiscal Officer and no oversight body. Fiscal officer plans to correct this for future annual reports. Repeated as a material weakness as Finding 2016-001
2014-002	Ohio Admin. Code § 117-2-02(A) cited for lack of controls over issued and unissued tickets (Ticket Log) by the Village Police Department	Not Corrected	Due to turnover in Village Police personnel this issue remained uncorrected. Repeated as a material weakness only as Finding 2016-003.
2014-003	Ohio Rev. Code § 733.40 cited since the Mayors Court did not remit fine monies collected that were due to the Village prior to the first Monday of each month, rather the monies remained in the Police Fund.	Not Corrected	The Village just created the Mayor's Court Fund in 2016 and still working on how to properly reflect receipts and disbursements in the fund. Repeated as noncompliance/significant deficiency Finding 2016-002.
2014-004	Auditor of State Bulletin 2011-04 cited since the Village has not adopted GASB No. 54 nor adopted a Fund Balance Policy	Not Corrected	The Village has not made any effort to implement GASB No 54 or adopt a fund balance policy. Repeated as a material weakness as Finding 2016-001.



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VILLAGE OF SENECAVILLE

GUERNSEY 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 30, 2017