

**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

***Financial Statements***  
**(Audited)**

For The Year Ended  
December 31, 2016





# Dave Yost • Auditor of State

Village Council  
Village of Amanda  
116 East Main Street  
Amanda, Ohio 43102

We have reviewed the *Independent Auditor's Report* of the Village of Amanda, Fairfield County, prepared by Julian & Grube, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

April 23, 2018

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**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report.....	1 - 2
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For The Year Ended December 31, 2016 .....	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - Proprietary Fund Type - For The Year Ended December 31, 2016 .....	4
Notes to the Financial Statements .....	5 - 15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	16 - 17
Schedule of Findings and Responses .....	18 - 20
Summary Schedule of Prior Audit Findings .....	21 - 22

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**Julian & Grube, Inc.**  
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**Independent Auditor's Report**

Village of Amanda  
Fairfield County  
116 East Main Street  
Amanda, Ohio 43102

To the Members of Council and Mayor:

***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 Amanda, Fairfield County, Ohio, as of and for the year ended December 31, 2016.

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

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

***Auditor's Responsibility***

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village of Amanda'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 of Amanda'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 of Amanda prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of Amanda as of December 31, 2016, and the changes in financial position or cash flows thereof for the year then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Amanda, Fairfield County, Ohio, as of December 31, 2016, for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2018, on our consideration of the Village of Amanda'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 of Amanda's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
March 15, 2018



**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

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

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Property and local taxes	\$ 26,553	\$ 34,095	\$ -	\$ 60,648
Municipal income tax	70,547	190,739	-	261,286
Intergovernmental	16,735	347,567	-	364,302
Charges for services	70,607	-	-	70,607
Fines, licenses, and permits	1,825	-	-	1,825
Interest	301	301	-	602
Miscellaneous	3,683	6,285	-	9,968
Total cash receipts	<u>190,251</u>	<u>578,987</u>	<u>-</u>	<u>769,238</u>
Cash disbursements:				
Current:				
Security of persons and property	12,411	-	15,000	27,411
Public health services	2,500	-	-	2,500
Leisure time activities	1,857	1,500	-	3,357
Basic utility services	54,277	-	-	54,277
Transportation	-	85,079	-	85,079
General government	49,508	1,097	-	50,605
Capital outlay	-	381,654	-	381,654
Debt service:				
Principal retirement	-	14,990	-	14,990
Total cash disbursements	<u>120,553</u>	<u>484,320</u>	<u>15,000</u>	<u>619,873</u>
Total cash receipts over cash disbursements	<u>69,698</u>	<u>94,667</u>	<u>(15,000)</u>	<u>149,365</u>
Other financing receipts:				
Proceeds from sale of notes	-	81,692	-	81,692
Total other financing receipts	<u>-</u>	<u>81,692</u>	<u>-</u>	<u>81,692</u>
Net change in fund cash balances	69,698	176,359	(15,000)	231,057
Fund cash balances, January 1, 2016	<u>15,174</u>	<u>123,946</u>	<u>15,000</u>	<u>154,120</u>
Fund cash balances, December 31, 2016				
Restricted	-	300,305	-	300,305
Unassigned	84,872	-	-	84,872
Fund cash balances, December 31, 2016	<u>\$ 84,872</u>	<u>\$ 300,305</u>	<u>\$ -</u>	<u>\$ 385,177</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

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

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 409,964
Total operating cash receipts	409,964
Operating cash disbursements:	
Personal services	43,897
Employee fringe benefits	6,384
Contractual services	121,914
Supplies and material	31,221
Total operating cash disbursements	203,416
Operating income/(loss)	206,548
Nonoperating cash receipts/(disbursements):	
Earnings on investments	175
Capital outlay	(209,344)
Proceeds of notes	209,344
Other financing sources	3,695
Debt service:	
Principal	(90,667)
Interest	(59,446)
Total nonoperating cash receipts/(disbursements)	(146,243)
Net change in fund cash balances	60,305
Fund cash balances, January 1, 2016	315,294
Fund cash balances, December 31, 2016	\$ 375,599

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 1 - DESCRIPTION OF THE ENTITY**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Amanda, Fairfield County, (the "Village"), as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides general government services, water and sewer utilities, and maintenance of Village roads.

The Village contracts with the Fairfield County Sheriff's department to provide security of persons and property. The Village contracts with Amanda Township to receive fire protection services.

The Village participates in a jointly governed organization. Note 12 to the financial statements provides additional information for this entity.

Jointly Governed Organization:  
*Fairfield County Regional Planning Commission.*

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**

The most significant of the Village's accounting policies are described below.

**A. FUND ACCOUNTING**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Village classifies its funds into the following types:

**General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**Special Revenue Funds**

These funds account for and report the proceeds of specific revenues 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 & Repair Fund* - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Street Levy Fund* - This fund primarily receives property tax receipts to repair and improve the Village streets.

Capital Project Funds

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

*Grant Construction Fund* - This fund receives proceeds of insurance reimbursements used by the Village to beautify ruined, severely burned residential buildings.

Enterprise Funds

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

*Water Fund* - This fund receives charges for services from residents to cover the costs of providing the citizens of the Village with water services.

*Sewer Fund* - This fund receives charges for services from residents to cover the costs of providing the citizens of the Village with sewer services.

*Sewer Debt Service Fund* - This fund receives monies from fees assessed to sewer users. The monies are used to retire debt incurred to operate the sewer system.

**B. ACCOUNTING BASIS**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**C. BUDGETARY PROCESS**

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

**1. Appropriations**

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

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must 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 canceled, and re-appropriated in the subsequent year. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2016 budgetary activity appears in Note 4.

**D. FUND BALANCE**

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

**1. Nonspendable**

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

**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**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 of 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 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.

**E. 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.

**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

F. 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.

G. ACCUMULATED LEAVE

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

H. 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.

**NOTE 3 - EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

	<u>2016</u>
Demand deposits	\$ 701,966
Certificate of Deposits	<u>58,810</u>
Total deposits and investments	<u><u>\$ 760,776</u></u>

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

**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 4 - 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	\$ 130,435	\$ 190,251	\$ 59,816
Special Revenue	1,059,653	660,679	(398,974)
Capital Projects	-	-	-
Enterprise	<u>590,469</u>	<u>623,178</u>	<u>32,709</u>
Total	<u>\$ 1,780,557</u>	<u>\$ 1,474,108</u>	<u>\$ (306,449)</u>

2016 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 147,599	\$ 120,553	\$ 27,046
Special Revenue	1,186,834	484,320	702,514
Capital Projects	15,000	15,000	-
Enterprise	<u>757,989</u>	<u>562,873</u>	<u>195,116</u>
Total	<u>\$ 2,107,422</u>	<u>\$ 1,182,746</u>	<u>\$ 924,676</u>

**NOTE 5 - 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.

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

**NOTE 6 - LOCAL INCOME TAX**

Beginning in September 2015, the Village levied a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.



**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 7 - DEBT**

At December 31, 2016, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/2016</u>
Sewer Mortgage Revenue Bonds	\$ 567,400
OWDA Loan #3985	80,902
OWDA Loan #4667	1,564,885
OWDA Loan #7046	681,151
OPWC Loan #CQ17R	44,969
OPWC Loan #CQ11J	72,162
OPWC Loan #CQ19T	81,692
Total	<u><u>\$ 3,093,161</u></u>

Transactions for the year ended December 31, 2016 are summarized as follows:

<u>Description</u>	<u>Balance at 12/31/2015</u>	<u>Proceeds</u>	<u>Retirements</u>	<u>Balance at 12/31/2016</u>
Sewer Mortgage Revenue Bonds	\$ 589,200	\$ -	\$ (21,800)	\$ 567,400
OWDA Loan #3985	83,863	-	(2,961)	80,902
OWDA Loan #4667	1,624,516	-	(59,631)	1,564,885
OWDA Loan #7046	471,807	209,344	-	681,151
OPWC Loan #CQ17R	59,959	-	(14,990)	44,969
OPWC Loan #CQ11J	78,437	-	(6,275)	72,162
OPWC Loan #CQ19T	-	81,692	-	81,692
Total	<u><u>\$ 2,907,782</u></u>	<u><u>\$ 291,036</u></u>	<u><u>\$ (105,657)</u></u>	<u><u>\$ 3,093,161</u></u>

The Sewer Mortgage Revenue Bonds were obtained for the purpose of paying the costs of constructing the Village's sewer system. The bonds will be repaid in over 40 years. The bonds are secured by sewer receipts. The Village has agreed to set utility rates sufficient to cover debt service requirements. The bonds will be retired from the Sewer Debt Service Fund and have an annual interest rate of 5.5%. The Sewer Mortgage Revenue Bond covenant requires the Village to establish and fund a sewer debt service reserve fund. The balance in this fund at December 31, 2016 is \$11,802.

Ohio Water Development Authority (OWDA) Loan (#3985) relates to the waterline construction. The OWDA approved \$109,999 in a loan related to this project. The Village repays the loan in semiannual installments of \$3,563, including interest, over 30 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan will be retired from the Water Fund and has an annual interest rate of 5.01%.

**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 7 - DEBT - (Continued)**

OWDA Loan (#4667) relates to the water system improvements. The OWDA approved \$1,966,000 in a loan related to this project. The Village repays the loan in semiannual installments of \$41,888, including interest, over 30 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan will be retired from the Water Fund and has an annual interest rate of 1.5%.

OWDA Loan (#7046) was issued in 2016 for the construction of a new water tower. The OWDA approved \$718,687 in a loan related to this project. As of December 31, 2016, this loan is not finalized. Thus, there is no interest rate or amortization schedule. The loan will be retired from the Water Fund once the loan is finalized.

The Ohio Public Works Commission (OPWC) loan CQ17R relates to street improvements along High Street. OPWC approved up to \$74,949 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$7,495, over 5 years. The interest free loan will be retired from the Street Levy fund.

The Ohio Public Works Commission (OPWC) loan CQ11J relates to a water system improvements project. OPWC approved up to \$125,500 in a loan to the Village for this project. This loan was drawn down in 2008. The Village repays the loan in semi-annual installments of \$3,138, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements. The interest-free loan will be retired from the Water Fund.

The Ohio Public Works Commission (OPWC) loan CQ19T was issued in 2016 for street improvements along Main Street and Oak Street. OPWC approved up to \$84,780 in a loan to the Village for this project. As of December 31, 2016, this loan is not finalized. Thus, there is no interest rate or amortization schedule. The loan will be retired from the Street Levy fund once the loan is finalized.

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**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 7 - DEBT - (Continued)**

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

Year Ending December 31,	Sewer Mortgage Revenue Bonds		Year Ending December 31,	OWDA Loans	
	Principal	Interest		Principal	Interest
2017	\$ 23,100	\$ 31,207	2017	\$ 63,640	\$ 26,453
2018	24,300	29,937	2018	64,709	25,415
2019	25,600	28,600	2019	65,800	24,358
2020	27,000	27,192	2020	66,913	23,280
2021	28,500	25,707	2021	68,050	22,180
2022-2026	168,000	103,202	2022-2026	358,142	93,629
2027-2031	219,500	51,645	2027-2031	390,407	62,613
2032	51,400	2,827	2032-2036	403,670	29,292
Total	<u>\$ 567,400</u>	<u>\$ 300,317</u>	2037-2039	164,456	3,095
			Total	<u>\$ 1,645,787</u>	<u>\$ 310,315</u>

Year Ending December 31,	OPWC Loans	
	Principal	Interest
2017	\$ 21,265	\$ -
2018	21,265	-
2019	21,265	-
2020	6,275	-
2021	6,275	-
2022-2026	31,375	-
2027-2028	9,411	-
Total	<u>\$ 117,131</u>	<u>\$ -</u>

**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 8 - RETIREMENT SYSTEM**

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For the year ended December 31, 2016, OPERS members contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants' gross salaries for 2016, respectively. The Village has paid all contributions required through December 31, 2016.

**NOTE 9 - 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. The portion of employer contributions allocated to healthcare for members in the Traditional Pension Plan and Combined Plans was 2.0 percent during calendar year 2016.

**NOTE 10 - RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

**NOTE 11 - CONTINGENT LIABILITIES**

**A. Grants**

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

**B. Litigation**

At December 31, 2016, the Village was not involved in any lawsuits that would have a material adverse effect on the Village's financial position.

**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 12 - JOINTLY GOVERNED ORGANIZATION**

**Fairfield County Regional Planning Commission**

The Village appoints a member of Council to represent the Village on the 47 member board of the Fairfield County Regional Planning Commission. The Village pays a small membership fee annually based on the per capita of the Village. There is no ongoing financial responsibility by the Village.

**NOTE 13 - COMPLIANCE**

The Village was in noncompliance with Ohio Revised Code Sections 5705.41(D) and 124.38 for the year ended December 31, 2016.

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards***

Village of Amanda  
Fairfield County  
116 East Main Street  
Amanda, Ohio 43102

To the Members of Council and Mayor:

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 Amanda, Fairfield County, Ohio, as of and for the year ended December 31, 2016, and the related notes to the financial statements and have issued our report thereon dated March 15, 2018, wherein we noted the Village of Amanda followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village of Amanda'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 of Amanda'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 and responses we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of 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 of Amanda's financial statements. We consider finding 2016-001 described in the accompanying schedule of findings and responses to be a material weakness.

Members of Council and Mayor  
Village of Amanda

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 findings 2016-002 and 2016-004 described in the accompanying schedule of findings and responses to be significant deficiencies.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the Village of Amanda'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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2016-003 and 2016-004.

### ***Village of Amanda's Responses to Findings***

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

### ***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 of Amanda's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village of Amanda's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.  
March 15, 2018



**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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Finding Number	2016-001
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Material Weakness - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions.

Numerous adjustments were made to the financial statements and note disclosures for the year ended December 31, 2016, to properly state financial statement amounts.

The audited financial statements, note disclosures and Village records have been adjusted for the misstatements identified during the audit.

Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made.

We recommend the Village of Amanda implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the basic financial statements prior to presenting them to the auditors.

*Client Response:* The Fiscal Officer will work to provide a sound fiscal environment for the Village and has implemented additional policies and procedures to help with financial statement presentation.

Finding Number	2016-002
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Significant Deficiency - Bank Reconciliations

The Village's bank balances should be reconciled on a monthly basis, shortly after month end. Further, the bank reconciliations along with supporting documentation should be submitted to the Village Council for review and approval at the meeting date following month end.

In 2016, the Village did not reconcile the certificate of deposit balances from the bank to the Uniform Accounting Network (UAN) records of the Village. The financial statements and UAN balances were adjusted to agree to the December 31, 2016 balances.

Not providing the Village Council with timely and accurate monthly reconciliations results in the Village Council relying on misrepresented financial information in which they base their decisions.

**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2016-002 - (Continued)

We recommend the Village Fiscal Officer timely reconcile its certificate of deposit balances and provide the reconciliation and supporting documentation to the Village Council. A Village Council representative should review the bank reconciliations for any unusual items and document their approval by initialing the reconciliation.

*Client's Response:* Certificates of deposit balances were maintained at the original values. The interest earned was not being recorded due to the bank does not send us monthly statements. We only receive a statement when the cd is up for renewal. In the future we will contact the bank at the end of the year so we can update the interest amounts so future bank reconciliations and certificate of deposit balances will agree to bank balances and interest earned and will be posted to the accounting system.

Finding Number	2016-003
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Material Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The Village had 14.29% of expenditures that were not timely certified for the year ended December 31, 2016.

Without timely certification, the Village may expend more funds than available in the Treasury, in the process of collection or in the funds appropriated. It may also result in unnecessary purchases.

We recommend that all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. A policy and procedure statement adopted by the Council and distributed at least annually may be beneficial. The Village should consider using "Then" and "Now" certificates where applicable.

*Client Response:* The Fiscal Officer will work to provide a sound fiscal environment for the Village and will implement additional policies and procedures to help with timely certification of expenditures.

VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO

SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2016

<b>FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2016-004

Significant Deficiency - Noncompliance

Ohio Revised Code Section 124.38 in part requires the Village to issue and track credited and used leave time for all employees.

The Village did not properly track employees leave balances credited and used. The Village also did not have appropriate leave forms.

Without proper documentation and recording of leave balances, the Village employees may take advantage of the Village and use sick or personal time not credited to them. Also, by not properly tracking leave balances, employees could alter their balances without the Village's approval and severance payouts could be miscalculated.

We recommend that the Village incorporate a new system to better monitor, track, and record employees' leave time to ensure accurate leave balances and compliance with the Ohio Revised Code.

Client Response: The Village is currently working on a new system to implement in the future.

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**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

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

<b>Finding Number</b>	<b>Year Initially Occurred</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2015-001	2007	<u>Financial Statement Presentation - Material Weakness</u> - A monitoring system by the Fiscal Officer and Village Council should be in place to prevent or detect material misstatements for the accurate presentation to the Village's financial statements. The Village had several audit adjustments.	Not Corrected	Finding repeated as 2016-001 as the Village did not review the posting of transactions to ensure proper account classification prior to filing the current year report.
2015-002	2014	<u>Bank Reconciliations – Significant Deficiency</u> - Village bank balances should be reconciled on a monthly basis, shortly after month end. The Village did not reconcile the certificate of deposit balances from the bank to the Uniform Accounting Network (UAN) records of the Village.	Not Corrected	Finding repeated as 2016-002 as bank balances were not agreed to the UAN records.
2015-003	2001	<u>Prior Certification</u> - Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The Village had expenditures that were not timely certified.	Not Corrected	Finding repeated as 2016-003 as Village expenditures were not timely certified in 2016.
2015-004	2014	<u>Material Noncompliance</u> - Ohio Revised Code Section 5705.39 in part requires that total appropriations from each fund should not exceed total estimated resources. The Village had appropriations exceeding estimated resources in the general fund for 2014 and 2015.	Corrective Action Taken and Finding is Fully Corrected	Village implemented a system to ensure budgetary data is monitored more closely.

**VILLAGE OF AMANDA  
FAIRFIELD COUNTY, OHIO**

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

<b>Finding Number</b>	<b>Year Initially Occurred</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2015-005	2014	<p><u>Material Noncompliance</u> - Ohio Revised Code Section 5705.36 in part, requires Villages to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget. The Village did not properly certify unencumbered fund balances at January 1, 2014. Also, the Village did not request enough amended certificates upon notice of increased or decreased resources.</p>	<p>Corrective Action Taken and Finding is Fully Corrected</p>	<p>Village implemented a system to ensure budgetary data is monitored more closely.</p>



# Dave Yost • Auditor of State

VILLAGE OF AMANDA

FAIRFIELD 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  
MAY 10, 2018