

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

Financial Statements
(Audited)

For The Year Ended
December 31, 2017



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, 2017 through December 31, 2017. 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

This page intentionally left blank.

**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, 2017	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - Proprietary Fund Type - For The Year Ended December 31, 2017	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 - 21
Summary Schedule of Prior Audit Findings	22

This page intentionally left blank.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

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, 2017.

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, 2017, 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, 2017, 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, 2017

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Property and local taxes	\$ 25,767	\$ 2,128	\$ -	\$ 27,895
Municipal income tax	79,288	214,368	-	293,656
Intergovernmental	17,158	329,015	-	346,173
Special assessments	-	5,888	-	5,888
Charges for services	73,518	-	-	73,518
Fines, licenses, and permits	1,000	-	-	1,000
Interest	476	476	-	952
Miscellaneous	8,936	1,416	-	10,352
Total cash receipts	206,143	553,291	-	759,434
Cash disbursements:				
Current:				
Security of persons and property	12,567	-	-	12,567
Public health services	4,727	-	-	4,727
Leisure time activities	4,172	7,752	-	11,924
Basic utility services	51,643	-	-	51,643
Transportation	-	72,335	-	72,335
General government	51,393	1,905	-	53,298
Capital outlay	-	294,209	-	294,209
Debt service:				
Principal retirement	-	7,495	-	7,495
Total cash disbursements	124,502	383,696	-	508,198
Total cash receipts over cash disbursements	81,641	169,595	-	251,236
Other financing receipts (disbursements):				
Proceeds from pass-through	-	-	35,927	35,927
Disbursements for pass-through	-	-	(35,630)	(35,630)
Proceeds from sale of notes	-	3,088	-	3,088
Total other financing receipts (disbursements)	-	3,088	297	3,385
Net change in fund cash balances	81,641	172,683	297	254,621
Fund cash balances, January 1, 2017	84,872	300,305	-	385,177
Fund cash balances, December 31, 2017				
Restricted	-	472,988	297	473,285
Unassigned	166,513	-	-	166,513
Fund cash balances, December 31, 2017	\$ 166,513	\$ 472,988	\$ 297	\$ 639,798

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, 2017

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 413,148
Total operating cash receipts	413,148
Operating cash disbursements:	
Personal services	45,938
Employee fringe benefits	6,776
Contractual services	100,046
Supplies and material	40,641
Total operating cash disbursements	193,401
Operating income/(loss)	219,747
Nonoperating cash receipts/(disbursements):	
Intergovernmental	43,071
Earnings on investments	176
Capital outlay	(5,221)
Proceeds of notes	5,221
Other financing sources	2,093
Debt service:	
Principal	(99,457)
Interest	(63,394)
Total nonoperating cash receipts/(disbursements)	(117,511)
Net change in fund cash balances	102,236
Fund cash balances, January 1, 2017	375,599
Fund cash balances, December 31, 2017	\$ 477,835

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, 2017**

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, 2017

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:

Other Capital Projects Fund – This fund receives proceeds from Fairfield Medical Center used by the Village as design fees for the Medical Center.

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, 2017

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 2017 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, 2017

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, 2017**

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>2017</u>
Demand deposits	\$ 1,058,648
Certificate of Deposits	<u>58,985</u>
Total deposits and investments	<u><u>\$ 1,117,633</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.

The Village's deposits are collateralized by the financial institution's public entity deposit pool. The financial institution is in the process of joining the Ohio Pooled Collateral System (OPCS); however, at December 31, 2017, the financial institution still maintained its own collateral pool.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 157,485	\$ 206,143	\$ 48,658
Special Revenue	435,534	556,379	120,845
Capital Projects	-	35,927	35,927
Enterprise	474,997	463,709	(11,288)
Total	<u>\$ 1,068,016</u>	<u>\$ 1,262,158</u>	<u>\$ 194,142</u>

2017 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 242,358	\$ 124,502	\$ 117,856
Special Revenue	735,838	383,696	352,142
Capital Projects	-	35,630	(35,630)
Enterprise	695,932	361,473	334,459
Total	<u>\$ 1,674,128</u>	<u>\$ 905,301</u>	<u>\$ 768,827</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, 2017**

NOTE 7 - DEBT

At December 31, 2017, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/2017</u>
Sewer Mortgage Revenue Bonds	\$ 544,300
OWDA Loan #3985	77,791
OWDA Loan #4667	1,504,356
OWDA Loan #7046	676,793
OPWC Loan #CQ17R	37,474
OPWC Loan #CQ11J	69,024
OPWC Loan #CQ19T	84,780
Total	<u>\$ 2,994,518</u>

Transactions for the year ended December 31, 2017 are summarized as follows:

<u>Description</u>	<u>Balance at 12/31/2016</u>	<u>Proceeds</u>	<u>Retirements</u>	<u>Balance at 12/31/2017</u>
Sewer Mortgage Revenue Bonds	\$ 567,400	\$ -	\$ (23,100)	\$ 544,300
OWDA Loan #3985	80,902	-	(3,111)	77,791
OWDA Loan #4667	1,564,885	-	(60,529)	1,504,356
OWDA Loan #7046	681,151	5,221	(9,579)	676,793
OPWC Loan #CQ17R	44,969	-	(7,495)	37,474
OPWC Loan #CQ11J	72,162	-	(3,138)	69,024
OPWC Loan #CQ19T	81,692	3,088	-	84,780
Total	<u>\$ 3,093,161</u>	<u>\$ 8,309</u>	<u>\$ (106,952)</u>	<u>\$ 2,994,518</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, 2017 is \$54,872.

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, 2017**

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 2017 for the construction of a new water tower. The OWDA approved \$718,687 in a loan related to this project. As of December 31, 2017, 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 2017 for street improvements along Main Street and Oak Street. OPWC approved up to \$84,780 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$4,239 over 10 years. The interest free loan will be retired from the Street Levy Fund.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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
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	30,100	241,340	2022	69,209	21,059
2023-2027	177,200	93,962	2023-2027	364,321	87,676
2028-2032	231,600	39,573	2028-2032	397,292	56,016
Total	<u>\$ 544,300</u>	<u>\$ 486,311</u>	2033-2037	403,010	22,944
			2038-2039	82,843	933
			Total	<u>\$ 1,582,147</u>	<u>\$ 283,861</u>

Year Ending December 31,	OPWC Loans	
	Principal	Interest
2018	\$ 29,743	\$ -
2019	29,743	-
2020	22,248	-
2021	14,753	-
2022	14,753	-
2023-2027	73,765	-
2028	6,273	-
Total	<u>\$ 191,278</u>	<u>\$ -</u>

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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, 2017, OPERS members contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants' gross salaries for 2017, respectively. The Village has paid all contributions required through December 31, 2017.

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 1.0 percent during calendar year 2017.

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, 2017, 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, 2017**

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 124.38, 5705.41(D), 5705.41 (B) and 5705.40 for the year ended December 31, 2017.

This page intentionally left blank.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**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, 2017, 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 2017-001 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 2017-002 and 2017-004 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 2017-003 through 2017-006.

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, 2017**

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

Finding Number	2017-001
----------------	----------

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, 2017, 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	2017-002
----------------	----------

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 2017, 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, 2017 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, 2017**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2017-002 - (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	2017-003
----------------	----------

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 17.24% of expenditures that were not timely certified for the year ended December 31, 2017.

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, 2017**

FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2017-004

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.

Finding Number	2017-005
----------------	----------

Material Noncompliance

Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated.

The Village had disbursements exceeding appropriations at December 31, 2017 in the following fund:

<u>Capital Projects Funds:</u>	<u>Appropriations</u>	<u>Disbursements</u>	<u>Excess</u>
Other Capital Projects Fund	\$ -	\$ 35,630	\$ 35,630

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2017**

FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2017-005 - (Continued)

With disbursements exceeding appropriations, the Village is expending monies that have not been appropriated and approved by the Village Council. This may result in unnecessary purchases or overspending which may lead to a fund deficit.

We recommend that the Village comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring disbursements so they do not exceed lawful appropriations and amending the budget prior to year-end. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary, subsequent to the passage of permanent appropriations.

Client Response: The Village is actively seeking to resolve this.

Finding Number	2017-006
----------------	----------

Material Noncompliance

Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section requires that any amendments to an appropriation measure be made by Council resolution and comply with the same provisions of the law as used in making the original appropriations.

Adjustments to the budget were made in the Village’s system without proper Council approval. Due to these unapproved and unallowable adjustments, disbursements exceeded appropriations in the Other Capital Projects fund in 2017.

By not timely and properly modifying the Village’s appropriations, the Village is not adequately monitoring appropriations versus disbursements. With disbursements exceeding appropriations, overspending may occur which may result in a negative fund balance.

We recommend that the Village comply with Ohio Revised Code and Auditor of State Bulletin 97-010 by monitoring disbursements so they do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary, subsequent to the passage of permanent appropriations.

Client Response: The Village is aware of the requirement for Council approval and is currently implementing additional policies and procedures to have all supplemental appropriations properly approved prior to including in the Village UAN computer system.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2017**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2016-001	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 2017-001 as the Village did not review the posting of transactions to ensure proper account classification prior to filing the current year report.
2016-002	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 2017-002 as bank balances were agreed to the UAN records.
2016-003	2001	<u>Material Noncompliance</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 2017-003 as Village expenditures were not timely certified in 2017.
2016-004	2016	<u>Significant Deficiency - Noncompliance</u> - Ohio Revised Code Section 124.38 in part requires that the Village track credited and used leave time for employees. The Village did not have a proper system in place to track credited and used leave time.	Not Corrected	Finding repeated as 2017-004 as the Village has not implemented a system to properly track employee leave balances.

This page intentionally left blank.



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