



Certified Public Accountants, A.C.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY
Regular Audit
For the Years Ended December 31, 2017 and 2016**

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Dave Yost • Auditor of State

Village Council
Village of Waynesfield
300 North Westminster Street
Waynesfield, Ohio 45896

We have reviewed the *Independent Auditor's Report* of the Village of Waynesfield, Auglaize County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2016 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 Waynesfield is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

September 25, 2018

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VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY

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INDEPENDENT AUDITOR'S REPORT

June 29, 2018

Village of Waynesfield
Auglaize County
300 North Westminster Street
Waynesfield, OH 45896

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the **Village of Waynesfield**, Auglaize County (the Village) as of and for the years ended December 31, 2017 and 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's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code 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 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 as of December 31, 2017 and 2016, or changes in financial position or cash flows thereof for the years 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 Waynesfield, Auglaize County as of December 31, 2017 and 2016, for the years 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 June 29, 2018, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:				
Property and Other Local Taxes	\$ 42,764	\$ -	\$ -	\$ 42,764
Municipal Income Tax	119,227	-	-	119,227
Intergovernmental	121,627	234,350	48,122	404,099
Charges for Services	400	-	-	400
Fines, Licenses, and Permits	28,683	-	-	28,683
Earnings on Investments	14,199	813	-	15,012
Miscellaneous	2,787	54	-	2,841
	<u>329,687</u>	<u>235,217</u>	<u>48,122</u>	<u>613,026</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	95,299	-	-	95,299
Public Health Services	26	-	-	26
Leisure Time Activities	170,802	-	-	170,802
Community Environment	100	-	-	100
Transportation	6,405	25,739	91,852	123,996
General Government	123,380	-	-	123,380
Capital Outlay	-	207,916	-	207,916
Debt Service:				
Principal Retirement	5,679	10,373	-	16,052
Interest and Fiscal Charges	1,908	-	-	1,908
	<u>403,599</u>	<u>244,028</u>	<u>91,852</u>	<u>739,479</u>
<i>Excess of Receipts (Under) Disbursements</i>	(73,912)	(8,811)	(43,730)	(126,453)
Other Financing Receipts:				
Other Debt Proceeds	103,264	-	43,730	146,994
	<u>103,264</u>	<u>-</u>	<u>43,730</u>	<u>146,994</u>
<i>Net Change in Fund Cash Balances</i>	29,352	(8,811)	-	20,541
<i>Fund Cash Balances, January 1</i>	<u>226,991</u>	<u>88,141</u>	<u>-</u>	<u>315,132</u>
Fund Cash Balances, December 31				
Nonspendable	1,372	-	-	1,372
Restricted	-	79,330	-	79,330
Assigned	254,971	-	-	254,971
<i>Fund Cash Balances, December 31</i>	<u>\$256,343</u>	<u>\$ 79,330</u>	<u>\$ -</u>	<u>\$ 335,673</u>

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

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 1,234,286	\$ -	\$ 1,234,286
Miscellaneous	1,753	-	1,753
Total Operating Cash Revenues	<u>1,236,039</u>	<u>-</u>	<u>1,236,039</u>
Operating Cash Disbursements:			
Personal Services	171,549	-	171,549
Fringe Benefits	70,731	-	70,731
Contractual Services	756,456	-	756,456
Supplies and Materials	54,614	-	54,614
Other	6,830	-	6,830
Total Operating Cash Disbursements	<u>1,060,180</u>	<u>-</u>	<u>1,060,180</u>
Operating Income	<u>175,859</u>	<u>-</u>	<u>175,859</u>
Non-Operating Cash Receipts/(Disbursements):			
Intergovernmental	289,000	-	289,000
Other Debt Proceeds	222,718	-	222,718
Miscellaneous Receipts	6,857	-	6,857
Capital Outlay	(558,274)	-	(558,274)
Principal Retirement	(92,857)	-	(92,857)
Interest and Other Fiscal Charges	(10,456)	-	(10,456)
Other Financing Sources	-	24,757	24,757
Other Financing Uses	-	(24,757)	(24,757)
Total Non-Operating Cash Receipts/(Disbursements)	<u>(143,012)</u>	<u>-</u>	<u>(143,012)</u>
Income Before Transfers	32,847	-	32,847
Transfer-In	67,462	-	67,462
Transfer-Out	<u>(67,462)</u>	<u>-</u>	<u>(67,462)</u>
Net Change in Fund Cash Balances	32,847	-	32,847
Fund Cash Balances, January 1	<u>1,182,250</u>	<u>104</u>	<u>1,182,354</u>
Fund Cash Balances, December 31	<u>\$ 1,215,097</u>	<u>\$ 104</u>	<u>\$ 1,215,201</u>

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

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 1 – Reporting Entity

The Village of Waynesfield, Auglaize County (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and law of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides electric, water and sewer utilities, park operations, street repair and maintenance, and police services. The Village contracts with Wayne Township to receive fire protection and emergency medical services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in two joint ventures. Note 11 to the financial statements provides further information on these organizations. These organizations are:

The Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5) - created to provide electricity to the Village.

The Municipal Energy Services Agency (MESA) – created to help reduce the cost of providing electricity to the Village.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair - The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Permissive Motor Vehicle Fund - The fund receives motor vehicle license tax money for constructing, maintaining, and repairing Village streets.

VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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 – The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund – The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Electric Fund – The electric fund receives charges for services from residents and commercial users to cover electric service costs.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. Mayor's Court activity is also recorded in the Agency Fund.

Basis of Accounting

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 Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2017 budgetary activity appears in Note 3.

Deposits and Investments

The Village holds its deposits in an interest-bearing checking account.

Capital Assets

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

Accumulated Leave

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

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:

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

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

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.

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.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – 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	\$ 780,993	\$ 432,951	\$ (348,042)
Special Revenue	478,621	235,217	(243,404)
Capital Projects	98,709	91,852	(6,857)
Enterprise	2,984,388	1,822,076	(1,162,312)
Total	\$ 4,342,711	\$ 2,582,096	\$ (1,760,615)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 481,480	\$ 403,599	\$ 77,881
Special Revenue	369,408	244,028	125,380
Capital Projects	91,852	91,852	-
Enterprise	2,067,597	1,789,229	278,368
Total	\$ 3,010,337	\$ 2,528,708	\$ 481,629

Note 4 – Deposits

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

	2017
Demand deposits	\$ 1,550,874
Total deposits	\$ 1,550,874

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 5 – Taxes

Property Taxes

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

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

Income Taxes

The Village levies a municipal income tax of 1 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.

Note 6 – 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 6 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. OP&F participants contributed 12.25% of their gross salaries and the Village contributed an amount equaling 19.5 % of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 7 – Defined Benefit Pension Plans (Continued)

Social Security

The Mayor and Council Members contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village had paid all contributions required through December 31, 2017.

Note 8 – Postemployment Benefits

Bother OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include 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 contribution allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. OP&F contributes 0.5 percent to fund these benefits.

Note 9 - Debt

Debt outstanding at December 31, 2017 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Tower & Well CM23D	\$ 61,803	0.00%
OPWC UV Disinfection CM23H	16,200	0.00%
OPWC Water Treatment Plant Improvement CM13I	163,785	0.00%
OPWC South Westminster Street Repair CT40K	175,548	0.00%
OMEGA JV5 Bond	42,386	5.84%
AMP Ohio Loan	54,727	0.00%
OPWC Northtown Storm Sewer Replacement CM10T	43,730	0.00%
OPWC N Westminster Street Project CT27Q	286,332	0.00%
OPWC WWTP Upgrades CT43S	550,667	0.00%
OWDA WWTP Improvements 7198	401,955	0.29%
Osgood State Bank - Park Enhancement	101,574	3.49%
Total	<u>\$ 1,898,707</u>	

During 2003 and 2002, loans were obtained from the Ohio Public Works Commission in the amount of \$29,981 and \$194,752, respectively, for the constructions of a new water tower and well. Both loans mature together after a period of 20 years. The debt will be financed through user charges.

During 2004, a loan was obtained from the Ohio Public Works Commission in the amount of \$43,200 for a Wastewater UV Disinfection improvement project. The Village entered into this debt on August 1, 2004 but the money was not disbursed until January 1, 2005. The final payment to the contractor for the project was not made until July 8, 2005. This is a 0% interest 20-year loan. The debt will be financed through user charges.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 9 – Debt (Continued)

During 2005, a loan was obtained from the Ohio Public Works Commission in the amount of \$297,790 for a new water treatment plant, water line replacements, and new water meter installation. The Village entered into the loan on July 5, 2005, the Village received \$193,479 of loan proceed during 2007 and the remaining amount of \$104,311 was received in 2008. This is a 0% interest 20-year loan and payments began January 2009. The debt will be financed through user charges.

During 2008, a loan was obtained from the Ohio Public Works Commission in the amount of \$319,179 for the South Westminster Street Reconstruction project. This is a 0% interest 20-year loan and payments began July 2009. Due to the various aspects of the project, this loan will be repaid from the General fund (25%), Street Construction Maintenance and Repair fund (65%) and Water Operating fund (10%).

The OMEGA JV 5 project consists of governmental entities that joined together to finance a municipal electric generation facility. Bonded debt was issued in the amount of \$153,415,000 for the project. The amount listed above represents the Village's participant share. Principal paid during fiscal year 2015 and 2014 totaled \$17,245. The debt will be financed through user charges. No amortization data is available at this time.

During 2011, a loan was approved from AMP Ohio in the amount of \$350,000 for Distribution Rebuild. Principal paid during fiscal years 2015 and 2014 totaled \$22,106. No amortization data is available at this time. The debt will be financed through user charges.

In 2016, a loan from the Ohio Public Works Commission was obtained to upgrade the replace the Northtown Storm Sewer located near the Industrial Park. The loan amount was for \$43,730 for a period of 20 years at a 0% interest rate. No amortization schedule is available at this time.

In 2016, the Village received a \$310,000, 30-year loan at 0% interest from the Ohio Public Works Commission in an effort to reconstruct North Westminster Street. The Village has drawn a total of \$286,332 at the end of 2017. Reconstruction ended in late 2016 and change orders were made from ODOT, changing the final dollar amount. The Village is currently awaiting to hear from ODOT on the final figures. No amortization schedule is available at this time.

During 2016, the Village was awarded a \$560,000 loan from the Ohio Public Works Commission. The Village has drawn a total of \$550,667 at the end of 2017. The loan is for 30 years at 0% interest. This project is in the final stages and should be finished in early 2017. No amortization schedule is available at this time.

In 2015, the Village encumbered a loan from Ohio Water Development Authority for a project. The Village drew additional funds in 2017 for a total of \$425,920. The 20-year loan is at 0.29% interest.

In 2017, the Village obtained a loan through Osgood State Bank for \$103,264 for 10 years with an interest rate of 3.49%. The loan was obtained in an effort to purchase properties directly connected to the park, to protect well heads and enlarge the "green space" area at the park. The Village is in the repayment process. No amortization schedule is available at this time.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 9 – Debt (Continued)

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

Year Endind December 31,	OPWC CM23D	OPWC CM23H	OPWC CM13I	OPWC CT40K	OWDA 7198
2018	\$ 11,237	\$ 2,160	\$ 14,890	\$ 15,959	\$ 25,340
2019	11,237	2,160	14,890	15,959	25,340
2020	11,237	2,160	14,890	15,959	25,340
2021	11,237	2,160	14,890	15,959	25,340
2022	11,237	2,160	14,890	15,959	25,340
2023-2027	5,619	5,400	74,450	79,795	126,700
2028-2032	-	-	14,885	15,958	126,700
2033-2036	-	-	-	-	101,360
Total	\$ 61,803	\$ 16,200	\$ 163,783	\$ 175,548	\$ 481,460

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor principally the federal government. The grantor 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.

Note 11 - Joint Ventures

A. Ohio Municipal Generation Agency Joint Venture 5 (OMEGA JV5)

The Village is a Financing Participant with an ownership percentage of .08 %, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 11 - Joint Ventures (Continued)

A. Ohio Municipal Generation Agency Joint Venture 5 (OMEGA JV5) (Continued)

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2016, the Village has met their debt coverage obligation (latest information available).

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30-year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015 of \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs.

The Village's net investment to date in OMEGA JV5 was \$2,390 at December 31, 2017. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 11 - Joint Ventures (Continued)

B. Municipal Energy Services Agency (MESA)

Municipal Energy services Agency (“MESA”) was organized by 31 subdivisions of the State of Ohio (the “Participants”) on December 31, 1996, pursuant to a Joint Venture Agreement (the “Agreement”) under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. As of December 31, 2007, there were 48 Participants in MESA. Its purpose is to provide access to a pool of personnel experienced in planning, engineering, construction, safety training, finance, administration and other aspects of the operations and maintenance of Municipal electric and other utility systems. The Participants are members of American Municipal Power-Ohio, Inc. (“AMP-Ohio). MESA also provides personnel and administrative services to AMP-Ohio, the Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6 (“OMEGA JVs”), the Ohio Municipal Electric Association (OMEA”) and the Ohio Public Power Educational Institute (“OPPEI”). The Agreement continues until December 31, 2006, and thereafter for successive terms of three years so long as at least two participants have not given notice.

Note 12 - American Municipal Power

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village’s share was 1,000 kilowatts of a total 771,281 kilowatts, giving the Village a 0.13 percent share. The AMPGS Project required participants to sign “take or pay” contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed impaired and participants were obligated to pay costs already incurred. In prior years, payment of these costs was not made due to AMP’s pursuit of legal action to void them. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability.

The Village intends to recover these costs and repay AMP over the next 5 years through a power cost adjustment.

Note 13 – Transfers

The Village transferred funds from the Water and Sewer Operations Funds to the Debt Service Fund in the amount of \$67,462.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 14 - Segment Information

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures as described in Note 10. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village's Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. Summary financial information for the Electric Fund is presented below:

	2017
Total Assets	\$ 470,391
Total Liabilities	139,176

Condensed Operating Information:

Operating Receipts	
Charges for Services	956,814
Other Operating Receipts	1,753
Total Operating Receipts	958,567
 Operating Expenses	 898,756
 Operating Income	 59,811
 Nonoperating Receipts (Disbursements)	
Intergovernmental	289,000
Miscellaneous	6,157
Principal Payments	(18,500)
Interest Payments	(1,549)
Capital Outlay	(320,287)
Change in Fund Cash Balance	14,632
Beginning Fund Cash Balance	455,759
Ending Fund Cash Balance	\$ 470,391

	2017
Condensed Cash Flows Information:	
Net Cash Provided (Used) by:	
Operating Activities	\$ 59,811
Capital and Related Financing Activities	
Principal Payments on Capital and Related Debt	(18,500)
Interest Payments on Capital and Related Debt	(1,549)
Other Capital and Related Financing Activities	(25,130)
Net Cash Provided (Used) by Capital and Related Financing Activities	(45,179)
 Net Increase (Decrease)	 14,632
Beginning Fund Cash Balance	455,759
Ending Fund Cash Balance	\$ 470,391

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Property and Other Local Taxes	\$ 41,819	\$ -	\$ 41,819
Municipal Income Tax	136,178	-	136,178
Intergovernmental	46,644	37,636	84,280
Charges for Services	350	-	350
Fines, Licenses, and Permits	29,645	-	29,645
Earnings on Investments	7,191	467	7,658
Miscellaneous	11,264	234	11,498
	273,091	38,337	311,428
Cash Disbursements:			
Current:			
Security of Persons and Property	96,540	-	96,540
Public Health Services	26	-	26
Leisure Time Activities	7,867	-	7,867
Transportation	7,787	35,584	43,371
General Government	139,363	-	139,363
Capital Outlay	4,787	57,621	62,408
Debt Service:			
Principal Retirement	3,990	10,373	14,363
	260,360	103,578	363,938
<i>Excess of Receipts Over (Under) Disbursements</i>	12,731	(65,241)	(52,510)
Other Financing Receipts:			
Other Debt Proceeds	-	57,621	57,621
	-	57,621	57,621
<i>Net Change in Fund Cash Balances</i>	12,731	(7,620)	5,111
<i>Fund Cash Balances, January 1</i>	214,260	95,761	310,021
Fund Cash Balances, December 31			
Nonspendable	194	-	194
Restricted	-	88,141	88,141
Unassigned	226,797	-	226,797
	\$ 226,991	\$ 88,141	\$ 315,132

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

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 1,145,730	\$ -	\$ 1,145,730
Miscellaneous	3,456	-	3,456
Total Operating Cash Revenues	<u>1,149,186</u>	<u>-</u>	<u>1,149,186</u>
Operating Cash Disbursements:			
Personal Services	169,972	-	169,972
Fringe Benefits	78,927	-	78,927
Contractual Services	695,896	-	695,896
Supplies and Materials	37,279	-	37,279
Other	8,607	-	8,607
Total Operating Cash Disbursements	<u>990,681</u>	<u>-</u>	<u>990,681</u>
Operating Income	<u>158,505</u>	<u>-</u>	<u>158,505</u>
Non-Operating Cash Receipts/(Disbursements):			
Intergovernmental	490,000	-	490,000
Other Debt Proceeds	748,896	-	748,896
Miscellaneous Receipts	366	-	366
Capital Outlay	(1,309,799)	-	(1,309,799)
Principal Retirement	(70,010)	-	(70,010)
Interest and Other Fiscal Charges	(9,597)	-	(9,597)
Other Financing Sources	-	15,595	15,595
Other Financing Uses	-	(15,595)	(15,595)
Total Non-Operating Cash Receipts/(Disbursements)	<u>(150,144)</u>	<u>-</u>	<u>(150,144)</u>
Income Before Transfers	8,361	-	8,361
Transfer-In	65,800	-	65,800
Transfer-Out	<u>(65,800)</u>	<u>-</u>	<u>(65,800)</u>
Net Change in Fund Cash Balances	8,361	-	8,361
Fund Cash Balances, January 1	<u>1,173,889</u>	<u>104</u>	<u>1,173,993</u>
Fund Cash Balances, December 31	<u>\$ 1,182,250</u>	<u>\$ 104</u>	<u>\$ 1,182,354</u>

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

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 1 – Reporting Entity

The Village of Waynesfield, Auglaize County (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and law of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides electric, water and sewer utilities, park operations, street repair and maintenance, and police services. The Village contracts with Wayne Township to receive fire protection and emergency medical services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in two joint ventures. Note 11 to the financial statements provides further information on these organizations. These organizations are:

The Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5) - created to provide electricity to the Village.

The Municipal Energy Services Agency (MESA) – created to help reduce the cost of providing electricity to the Village.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair - The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Permissive Motor Vehicle Fund - The fund receives motor vehicle license tax money for constructing, maintaining, and repairing Village streets.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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 – The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund – The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Electric Fund – The electric fund receives charges for services from residents and commercial users to cover electric service costs.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. Mayor's Court activity is also recorded in the Agency Fund.

Basis of Accounting

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 Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2016 budgetary activity appears in Note 3.

Deposits and Investments

The Village holds its deposits in an interest-bearing checking account.

Capital Assets

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

Accumulated Leave

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

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:

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

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

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.

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.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Activity

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

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 206,970	\$ 273,074	\$ 66,104
Special Revenue	318,762	95,958	(222,804)
Enterprise	4,404,626	2,388,488	(2,016,138)
Total	\$ 4,930,358	\$ 2,757,520	\$ (2,172,838)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 417,712	\$ 263,309	\$ 154,403
Special Revenue	408,732	103,822	304,910
Enterprise	3,748,316	2,254,714	1,493,602
Total	\$ 4,574,760	\$ 2,621,845	\$ 1,952,915

Note 4 – Deposits

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

	2016
Demand deposits	\$ 1,497,486
Total deposits	\$ 1,497,486

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 5 – Taxes

Property Taxes

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

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

Income Taxes

The Village levies a municipal income tax of 1 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.

Note 6 – 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 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. OP&F participants contributed 12.25% of their gross salaries and the Village contributed an amount equaling 19.5 % of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 7 – Defined Benefit Pension Plans (Continued)

Social Security

The Mayor and Council Members contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village had paid all contributions required through December 31, 2016.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include 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 contribution allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016. OP&F contributes 0.5 percent to fund these benefits.

Note 9 - Debt

Debt outstanding at December 31, 2016 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Tower & Well CM23D	\$ 73,039	0.00%
OPWC UV Disinfection CM23H	18,360	0.00%
OPWC Water Treatment Plant Improvement CM13I	178,674	0.00%
OPWC South Westminster Street Repair CT40K	191,507	0.00%
OMEGA JV5 Bond	53,564	5.84%
AMP Ohio Loan	73,227	0.00%
OPWC N Westminster Street Project CT27Q	230,060	0.00%
OPWC WWTP Upgrades CT43S	473,323	0.00%
OWDA WWTP Improvements 7198	346,151	0.29%
Total	<u>\$ 1,637,905</u>	

During 2003 and 2002, loans were obtained from the Ohio Public Works Commission in the amount of \$29,981 and \$194,752, respectively, for the constructions of a new water tower and well. Both loans mature together after a period of 20 years. The debt will be financed through user charges.

During 2004, a loan was obtained from the Ohio Public Works Commission in the amount of \$43,200 for a Wastewater UV Disinfection improvement project. The Village entered into this debt on August 1, 2004 but the money was not disbursed until January 1, 2005. The final payment to the contractor for the project was not made until July 8, 2005. This is a 0% interest 20-year loan. The debt will be financed through user charges.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 9 – Debt (Continued)

During 2005, a loan was obtained from the Ohio Public Works Commission in the amount of \$297,790 for a new water treatment plant, water line replacements, and new water meter installation. The Village entered into the loan on July 5, 2005, the Village received \$193,479 of loan proceed during 2007 and the remaining amount of \$104,311 was received in 2008. This is a 0% interest 20-year loan and payments began January 2009. The debt will be financed through user charges.

During 2008, a loan was obtained from the Ohio Public Works Commission in the amount of \$319,179 for the South Westminster Street Reconstruction project. This is a 0% interest 20-year loan and payments began July 2009. Due to the various aspects of the project, this loan will be repaid from the General fund (25%), Street Construction Maintenance and Repair fund (65%) and Water Operating fund (10%).

The OMEGA JV 5 project consists of governmental entities that joined together to finance a municipal electric generation facility. Bonded debt was issued in the amount of \$153,415,000 for the project. The amount listed above represents the Village's participant share. Principal paid during fiscal year 2015 and 2014 totaled \$17,245. The debt will be financed through user charges. No amortization data is available at this time.

During 2011, a loan was approved from AMP Ohio in the amount of \$350,000 for Distribution Rebuild. Principal paid during fiscal years 2015 and 2014 totaled \$22,106. No amortization data is available at this time. The debt will be financed through user charges.

In 2015, the Village received a \$310,000, 30-year loan at 0% interest from the Ohio Public Works Commission in an effort to reconstruct North Westminster Street. The Village has drawn a total of \$230,060 at the end of 2016. Reconstruction ended in late 2016 and change orders were made from ODOT, changing the final dollar amount. The Village is currently awaiting to hear from ODOT on the final figures. Ending balance at December 31, 2015 was not included in the debt note disclosure in the prior audit report. The balance was \$172,439. No amortization schedule is available at this time.

During 2016, the Village was awarded a \$560,000 loan from the Ohio Public Works Commission. The Village drew \$473,323 of the available funds in 2016. The loan is for 30 years at 0% interest. This project is in the final stages and should be finished in early 2017. No amortization schedule is available at this time.

In 2015, the Village encumbered a loan from Ohio Water Development Authority for a project. The Village drew additional funds in 2016 for a total of \$346,152. The 20-year loan is at 0.29% interest.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 9 – Debt (Continued)

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

Year Endind December 31,	OPWC CM23D	OPWC CM23H	OPWC CM13I	OPWC CT40K	OWDA 7198
2017	\$ 11,236	\$ 2,160	\$ 14,890	\$ 15,959	\$ 25,340
2018	11,236	2,160	14,890	15,959	25,340
2019	11,236	2,160	14,890	15,959	25,340
2020	11,236	2,160	14,890	15,959	25,340
2021	11,237	2,160	14,890	15,959	25,340
2022-2026	16,857	7,560	74,450	79,795	126,700
2027-2031	-	-	29,774	31,917	126,700
2032-2036	-	-	-	-	126,700
Total	<u>\$ 73,038</u>	<u>\$ 18,360</u>	<u>\$ 178,674</u>	<u>\$ 191,507</u>	<u>\$ 506,800</u>

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor principally the federal government. The grantor 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.

Note 11 - Joint Ventures

A. Ohio Municipal Generation Agency Joint Venture 5 (OMEGA JV5)

The Village is a Financing Participant with an ownership percentage of .08 %, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 11 - Joint Ventures (Continued)

A. Ohio Municipal Generation Agency Joint Venture 5 (OMEGA JV5) (Continued)

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2016, the Village has met their debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30-year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015 of \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs.

The Village's net investment to date in OMEGA JV5 was \$2,390 at December 31, 2016. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 11 - Joint Ventures (Continued)

B. Municipal Energy Services Agency (MESA)

Municipal Energy services Agency (“MESA”) was organized by 31 subdivisions of the State of Ohio (the “Participants”) on December 31, 1996, pursuant to a Joint Venture Agreement (the “Agreement”) under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. As of December 31, 2007, there were 48 Participants in MESA. Its purpose is to provide access to a pool of personnel experienced in planning, engineering, construction, safety training, finance, administration and other aspects of the operations and maintenance of Municipal electric and other utility systems. The Participants are members of American Municipal Power-Ohio, Inc. (“AMP-Ohio). MESA also provides personnel and administrative services to AMP-Ohio, the Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6 (“OMEGA JVs”), the Ohio Municipal Electric Association (OMEA”) and the Ohio Public Power Educational Institute (“OPPEI”). The Agreement continues until December 31, 2006, and thereafter for successive terms of three years so long as at least two participants have not given notice.

Note 12 - American Municipal Power

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village’s share was 1,000 kilowatts of a total 771,281 kilowatts, giving the Village a 0.13 percent share. The AMPGS Project required participants to sign “take or pay” contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed impaired and participants were obligated to pay costs already incurred. In prior years, payment of these costs was not made due to AMP’s pursuit of legal action to void them. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability.

The Village intends to recover these costs and repay AMP over the next 5 years through a power cost adjustment.

Note 13 – Transfers

The Village transferred funds from the Water and Sewer Operations Funds to the Debt Service Fund in the amount of \$65,800.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

Note 14 - Segment Information

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures as described in Note 10. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village's Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. Summary financial information for the Electric Fund is presented below:

	2016
Total Assets	\$ 455,759
Total Liabilities	157,676

Condensed Operating Information:

Operating Receipts	
Charges for Services	866,788
Other Operating Receipts	3,456
Total Operating Receipts	870,244

Operating Expenses	830,325
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Operating Income	39,919
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Nonoperating Receipts (Disbursements)

Miscellaneous	366
Principal Payments	(16,000)
Interest Payments	(1,471)
Capital Outlay	(33,331)
Change in Fund Cash Balance	(10,517)
Beginning Fund Cash Balance	466,276
Ending Fund Cash Balance	\$ 455,759

Condensed Cash Flows Information:

	2016
Net Cash Provided (Used) by:	
Operating Activities	\$ 39,919
Capital and Related Financing Activities	
Principal Payments on Capital and Related Debt	(16,000)
Interest Payments on Capital and Related Debt	(1,471)
Other Capital and Related Financing Activities	(32,965)
Net Cash Provided (Used) by Capital and Related Financing Activities	(50,436)
Net Increase (Decrease)	(10,517)
Beginning Fund Cash Balance	466,276
Ending Fund Cash Balance	\$ 455,759

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

June 29, 2018

Village of Waynesfield
Auglaize County
300 North Westminster St
Waynesfield, Ohio 45896

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United State 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 Waynesfield**, Auglaize County, (the Village) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated June 29, 2018 wherein we noted the Village 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's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2017-001 to be a material weakness.

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Village of Waynesfield
Auglaize County

Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as item 2017-002.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 29, 2018.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2017-001

Material Weakness

Posting Receipts, Disbursements, and Fund Balance Classifications

The Village is responsible for establishing procedures and controls to help prevent and detect errors in financial reporting. Fund balances should be classified based on Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.

During 2017 and 2016, receipts, disbursements and fund balances were not always posted or classified correctly. The following posting errors were noted:

- The Village established an Unclaimed Monies Fund for previously issued, but never cashed checks. The Unclaimed Monies Fund was correctly established as an Agency Fund, but incorrectly reported on the financial statements. As a cash basis entity, the Unclaimed Monies Fund should be presented in the General Fund and classified as Nonspendable;
- Mayor’s Court activity was reclassified in the Agency Fund for 2017 and 2016;
- Park Enhancement Loan proceeds were incorrectly classified as Other Financing Sources instead of Other Debt Proceeds in 2017;
- OPWC Grant was incorrectly classified as Other Financing Sources instead of an Intergovernmental receipt in 2017;
- Principal and Interest payments were allocated incorrectly in 2017 and 2016;
- Other Debt Proceeds and corresponding Capital Outlay were not recorded in 2017 and 2016;
- Loan Proceeds were recorded as Intergovernmental instead of Other Debt Proceeds in 2016;
- Loan Proceeds were recorded as Sale of Notes instead of Other Debt Proceeds in 2017 and 2016; and
- The General Fund balance was classified as Unassigned when it should have been Assigned in 2017.

Not posting receipts and disbursements or classifying fund balances accurately resulted in the financial statements requiring several reclassifications and adjusting entries. The financial statements reflect all reclassifications and adjustments. The Township has made these adjustments to their accounting system.

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

We also recommend the Fiscal Officer refer to the Ohio Village Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements. The Fiscal Officer should refer to Auditor of State Technical Bulletin 2011-004 for assistance in properly classifying fund balances.

Officials’ Response – We did not receive a response from officials to this finding.

VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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

FINDING NUMBER 2017-002

Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision's fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.
2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 17% of the expenditures tested for 2017 and for 26% of the expenditures tested for 2016.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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

FINDING NUMBER 2017-002 (Continued)

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, "then and now" certification should be used.

Officials' Response – We did not receive a response from management for this finding.

VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	Posting Receipts and Disbursements	Not Corrected	Repeated in Finding 2017-001
2015-002	ORC 5705.41(D)	Not Corrected	Repeated in Finding 2017-002



Dave Yost • Auditor of State

VILLAGE OF WAYNESFIELD

AUGLAIZE 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
OCTOBER 9, 2018