



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY
DECEMBER 31, 2023 AND 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Waynesfield
Auglaize County
300 North Westminster Street
P.O. Box 128
Waynesfield, Ohio 45896

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Waynesfield, Auglaize County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2023 and 2022, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the Village's beginning fund balance as of January 1, 2022 was restated for the General and Custodial funds due to correction of a prior period error. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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.



Keith Faber
Auditor of State
Columbus, Ohio

October 28, 2024

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**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, 2023**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$46,271				\$46,271
Municipal Income Tax	172,002				172,002
Intergovernmental	59,239	\$60,243		\$1,132,000	1,251,482
Charges for Services	5,881				5,881
Fines, Licenses and Permits	24,023				24,023
Earnings on Investments	19,556	2,437			21,993
Miscellaneous	2,202	1,250			3,452
<i>Total Cash Receipts</i>	<u>329,174</u>	<u>63,930</u>		<u>1,132,000</u>	<u>1,525,104</u>
Cash Disbursements					
Current:					
Security of Persons and Property	114,854	4,448			119,302
Leisure Time Activities	19,628				19,628
Transportation	1,115	18,998			20,113
General Government	143,541				143,541
Capital Outlay	20,233	10,032		1,632,000	1,662,265
Debt Service:					
Principal Retirement	3,990	18,533	\$3,532		26,055
Interest and Fiscal Charges			2,842		2,842
<i>Total Cash Disbursements</i>	<u>303,361</u>	<u>52,011</u>	<u>6,374</u>	<u>1,632,000</u>	<u>1,993,746</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>25,813</u>	<u>11,919</u>	<u>(6,374)</u>	<u>(500,000)</u>	<u>(468,642)</u>
Other Financing Receipts (Disbursements)					
Loan Proceeds				500,000	500,000
Sale of Capital Assets	83,168	3,940			87,108
Transfers In			7,195		7,195
Transfers Out	(7,195)				(7,195)
Advances In					0
Advances Out					0
Other Financing Sources		4,469			4,469
<i>Total Other Financing Receipts (Disbursements)</i>	<u>75,973</u>	<u>8,409</u>	<u>7,195</u>	<u>\$500,000</u>	<u>591,577</u>
<i>Net Change in Fund Cash Balances</i>	101,786	20,328	821		122,935
<i>Fund Cash Balances, January 1</i>	<u>197,834</u>	<u>152,655</u>	<u>3,735</u>		<u>354,224</u>
<i>Fund Cash Balances, December 31</i>	<u>\$299,620</u>	<u>\$172,983</u>	<u>\$4,556</u>		<u>\$477,159</u>

See accompanying notes to the financial statements

**Village of Waynesfield
Auglaize County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balance (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2023**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$1,254,932
Miscellaneous	3,936
	1,258,868
<i>Total Operating Cash Receipts</i>	<i>1,258,868</i>
Operating Cash Disbursements	
Personal Services	200,319
Employee Fringe Benefits	58,719
Contractual Services	785,893
Supplies and Materials	133,201
	1,178,132
<i>Total Operating Cash Disbursements</i>	<i>1,178,132</i>
<i>Operating Income</i>	<i>80,736</i>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	25,000
Sale of Fixed Assets	11,820
Miscellaneous Receipts	386
Capital Outlay	(61,065)
Excise Tax Payment - Electric	(32,071)
Principal Retirement	(34,674)
Interest and Other Fiscal Charges	(38,405)
	(129,009)
<i>Total Non-Operating (Disbursements)</i>	<i>(129,009)</i>
<i>Income (Loss) before Transfers</i>	<i>(48,273)</i>
Transfers In	77,519
Transfers Out	(77,519)
	(48,273)
<i>Net Change in Fund Cash Balance</i>	<i>(48,273)</i>
<i>Fund Cash Balance, January 1</i>	<i>1,196,485</i>
<i>Fund Cash Balance, December 31</i>	<i>\$1,148,212</i>

See accompanying notes to the financial statements

Village of Waynesfield
Auglaize County
Statement of Additions, Deductions
and Changes in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2023

	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$3,359
Other Amounts Collected for Distribution	11,393
<i>Total Additions</i>	14,752
Deductions	
Distributions to Other Governments	14,708
<i>Total Deductions</i>	14,708
<i>Net Change in Fund Balance</i>	44
<i>Fund Cash Balance, January 1</i>	
<i>Fund Cash Balance, December 31</i>	\$44

See accompanying notes to the financial statements

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Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Waynesfield, Auglaize County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village 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 services and emergency medical services.

Joint Ventures, Jointly Governed Organization, and Public Entity Risk Pools

The Village participates in two joint ventures, one jointly governed organization, and one public entity risk pool. Note 11 through Note 13 to financial statements provides additional information for these entities.

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 Auglaize County Regional Planning Commission - created to formulate and review plans affecting long and short term social, economic, and governmental development within the region.

Ohio Municipal League Group Rating Plan - created to allow municipalities an opportunity to pool resources to reduce workers' compensation premiums.

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 balance (regulatory cash basis) for the proprietary fund type and a statement of additions, deductions and changes in fund balance (regulatory cash basis) for the fiduciary fund type, which are all organized on a 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:

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

Debt Service Fund: These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for outstanding debt service for projects. The Village had the following significant Debt Service Funds:

Osgood Loan – Park Enhancement: This loan was acquired to purchase adjoining properties to the Village’s park. Acquiring this land was also a part of the Park Enhancement Project.

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

West Wapakoneta Street Project: This fund received restricted receipts for the street repair project.

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: The Fiduciary fund is a custodial fund. Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. Mayors Court is recorded in the Custodial 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 custodial funds) be budgeted annually.

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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

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

A summary of 2023 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 upon 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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

For regulatory purposes, limited disclosure related to fund balances is included in Note 16.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts (Revenue)			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General (1000)	\$268,550	\$412,342	\$143,792
Special Revenue (2000)	51,234	72,339	21,105
Debt Service (3000)	7,195	7,195	
Capital Projects (4000)	932,250	1,632,000	699,750
Enterprise (5000)	1,344,900	1,373,593	28,693
Custodial (9000)	14,500	14,752	252
Total	\$2,618,629	\$3,512,221	\$893,592

2023 Budgeted vs. Actual Budgetary Basis (Expenditures)			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General (1000)	\$409,831	\$314,904	\$94,927
Special Revenue (2000)	87,898	52,527	35,371
Debt Service (3000)	7,195	6,374	821
Capital Projects (4000)	932,250	1,632,000	(699,750)
Enterprise (5000)	1,887,532	1,458,299	429,233
Fiduciary (9000)	14,776	14,708	68
Total	\$3,339,482	\$3,478,812	(\$139,330)

Note 4 – Deposits and Investments

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

	2023
Cash Management Pool:	
Demand deposits	\$ 1,625,215
Cash on Hand	<u>200</u>
Total Deposits and Cash on Hand	<u>\$ 1,625,415</u>

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 5 – Taxes

Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

Retirement System

The Village's full-time police officers belong to the Ohio 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.

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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, 2023.

Social Security

The 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 has paid all contributions required through December 31, 2023.

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 contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2023. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2023. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
CM08U - OPWC North/ 3rd Street Reconstruction	\$7,500	0%
CT40K - S. Westminster St. Reconstruction	\$79,795	0%
CM13I - Water Treatment Plant Improvements	\$74,448	0%
CM10T - OPWC Northtown Storm Sewer Replacement	\$67,035	0%
CT27Q - OPWC N. Westminster Street Project	\$229,066	0%
CT43S - OPWC WWTP Ugrades	\$438,667	0%
7198 - OWDA WWTP Improvements	\$276,640	0.29%
Osgood State Bank - Park Enhancement	\$57,595	3.49%
Omega JV5	\$42,314	Variable
CT54Y - West Wapakoneta Street	\$500,000	0%
Total	\$1,773,060	

Ohio Public Works Commission #CM13I - 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.

Ohio Public Works Commission #CT40K - 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%).

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2023

OMEGA JV 5 - 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. The debt will be financed through user charges. No amortization data is available at this time.

Ohio Public Works Commission #CM10T - In 2016, a loan from the Ohio Public Works Commission was obtained to upgrade and replace the Northtown Storm Sewer located near the Industrial Park. The loan amount was for \$89,418.00 for a period of 20 years at a 0% interest rate. The project concluded in the Spring of 2018. The debt will be financed through assessments collected by the Auglaize County Auditor's office.

Ohio Public Works Commission #CT27Q - 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. Reconstruction ended in late 2016 and change orders were made from ODOT, changing the final dollar amount disbursed to \$286,332. This is a 30-year loan with no interest. This loan is being paid in equal amounts from the Street Construction and Maintenance, Sewer Operating, and Electric Operating funds.

Ohio Public Works Commission #CT43S - During 2016, the Village was awarded a \$560,000 loan from the Ohio Public Works Commission for the Wastewater Treatment Plant upgrades. The loan is for 30 years at 0% interest. This project concluded in 2017. This loan is being repaid from the WWTP Lagoons Repay fund.

Osgood Bank Loan - In 2017, the Village obtained a loan through Osgood State Bank for \$103,438.00, 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 data is available at this time. This loan is being repaid from the Park Enhancement Project fund with general revenues of the Village.

The Ohio Water Development Authority (OWDA) Loan No.7198 - In 2015, the Village encumbered a loan from Ohio Water Development Authority for Waste Water Treatment Plant Improvements. The Village drew additional funds in 2017 for a total of \$425,920.00. The 20-year loan is at .29% interest. This loan will be repaid with Waste Water Treatment Plant Lagoon Repayment Fund.

Ohio Public Works Commission (OPWC) Loan No. CM08U - In 2019, the Village encumbered a loan from the Ohio Public Works Commission for North 3rd Street Reconstruction. The loan amount was \$10,000 for a period of 20 years at a 0% interest rate. This loan is being repaid from the Street Construction Maintenance and Repair fund.

Ohio Public Works Commission (OPWC) Loan No. CT54Y - In 2023, the Village was awarded a \$500,000 loan from the Ohio Public Works Commission for the West Wapakoneta Street project. The loan amount is for a period of 30 years at 0% interest rate. The loan will be repaid from the Street Construction Maintenance and Repair Fund.

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Amortization

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

Year ending December 31:	OPWC CM08U	OPWC CM13I	OPWC CT40K	OPWC CT27Q	OPWC CT43S	OPWC - CT10T	OPWC - CT54Y
2024	500	14,890	15,959	9,544	18,667	4,469	8,333
2025	500	14,890	15,959	9,544	18,667	4,469	16,667
2026	500	14,890	15,959	9,544	18,667	4,469	16,667
2027	500	14,889	15,959	9,544	18,667	4,469	16,667
2028	500	14,889	15,959	9,544	18,667	4,469	16,667
2029-2033	2,500			47,722	93,333	22,345	83,333
2034-2038	2,500			47,722	93,333	22,345	83,333
2039-2043				47,723	93,332		83,333
2044-2048				38,179	65,334		83,333
2049-2053							83,333
2054							8,334
Total	7,500	74,448	79,795	229,066	438,667	67,035	500,000

Year ending December 31:	OWDA 7198	
	Interest	Principal
2024	786	21,764
2025	723	21,827
2026	660	21,891
2027	596	21,954
2028	533	22,018
2029-2033	1,701	111,052
2034-2038	244	56,134
Total	5,243	276,640

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 with An Equity Interest

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

The Village of Waynesfield 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.

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

Also 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, 2023, Waynesfield has met its 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 \$2,490 at December 31, 2023. Complete financial statements for OMEGA JV5 may be obtained from AMP.

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 – Jointly Governed Organization

The Village is associated with the Auglaize County Regional Planning Commission. The Village is responsible for sending an elected Council member and alternate to sit on the board. The Commission’s board consists of representatives from participating political subdivisions, the Auglaize County Commissioners, and appointed citizens. The Commission formulates and reviews plans affecting long- and short-term social, economic, and governmental development within the region.

Note 13 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six-member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 14 – Transfers

The Village transferred funds from the Water and Sewer Operations Funds to the Water Enterprise Improvement, Sewer Enterprise Improvement, Other Enterprise – Water Treatment Plant, and Other Enterprise WWTP Lagoons Repay in the amount of \$77,519. The General Fund transferred \$7,195 to the Debt Service Fund.

Note 15 - AMP Revenue Coverage

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 11.

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 of financial information for the Electric Fund is presented below:

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Calculation of JV5 Debt Coverage:

Operating Income	\$ 53,573
JV5 Debt Service (If included above as Operating Expense)	\$ 7,417
Capital Outlay	12,500
Adjusted Operating Income Available for Debt Service	\$ 73,490
Omega JV5 Debt Service	\$ 7,417
Total Electric System Debt Service	\$ 7,417
Coverage (Covenants required 110% coverage of all debt)	991%

As of December 31, 2023:

	Electric Fund	Other Proprietary Funds	Total Proprietary Funds
Operating Cash Receipts			
Charges for Services	\$975,633	\$279,299	\$1,254,932
Other Operating Receipts	3,936		3,936
Total Operating Cash Receipts	979,569	279,299	1,258,868
Operating Cash Disbursements			
Personal Services	89,208	111,111	200,319
Fringe Benefits	29,561	29,158	58,719
Contractual Services	771,184	14,709	785,893
Supplies and Materials	36,043	97,158	133,201
Total Operating Cash Disbursements	925,996	252,136	1,178,132
Operating Receipts Over (Under) Operating Disbursements	53,573	27,163	80,736
Non-Operating Receipts (Disbursements)			
Other Non-Operating Receipts	4,326	32,880	37,206
Other Non-Operating Disbursements	(32,071)		(32,071)
Capital Outlay	(12,500)	(48,565)	(61,065)
Principal Retirement	(3,181)	(31,493)	(34,674)
Interest and Other Fiscal Charges		(38,405)	(38,405)
Total Non-Operating Receipts (Disbursements)	(43,426)	(85,583)	(129,009)
Transfers In		77,519	77,519
Transfers Out		(77,519)	(77,519)
Change in Net Position	10,147	(135,939)	(48,273)
Net Position - Cash Basis, January 1	698,432	498,053	1,196,485
Net Position - Cash Basis, December 31	708,579	362,114	1,148,212

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 790 kilowatts (kW) of a total 771,281kW, giving the Village a 0.10 percent project 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, the payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel. As a result of a March 31, 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's estimated share of the impaired costs at March 31, 2014 was \$136,923. The Village received a credit of \$42,984 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$35,728 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU, leaving an estimated net impaired cost balance of \$58,211. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

The Village made payments in 2023 totaling \$7,418, leaving a net impaired cost estimate of \$42,314 at December 31, 2023.

The Village intends to recover these costs and repay AMP through a power cost adjustment.

Note 16 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$1,776		\$1,776
Outstanding Encumbrances	4,348	\$516	4,864
<i>Total</i>	\$6,124	\$516	\$6,640

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. These restricted, committed and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 17 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. No funds were returned to the granting agency, and all funding was spent on the behalf of the village. These amounts are reflected as expenditures in the applicable Special Revenue Fund on the accompanying financial statements.

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**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, 2022**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$48,725				\$48,725
Municipal Income Tax	141,608				141,608
Intergovernmental	58,525	\$55,264		\$48,800	162,589
Special Assessments	205				205
Charges for Services	5,888				5,888
Fines, Licenses and Permits	25,426				25,426
Earnings on Investments	5,523	632			6,155
Miscellaneous	3,136				3,136
<i>Total Cash Receipts</i>	<u>289,036</u>	<u>55,896</u>		<u>48,800</u>	<u>393,732</u>
Cash Disbursements					
Current:					
Security of Persons and Property	118,615				118,615
Public Health Services	29				29
Leisure Time Activities	22,366				22,366
Transportation	1,684	27,746			29,430
General Government	144,387				144,387
Capital Outlay				48,800	48,800
Debt Service:					
Principal Retirement	3,990	18,524	\$4,383		26,897
Interest and Fiscal Charges			2,266		2,266
<i>Total Cash Disbursements</i>	<u>291,071</u>	<u>46,270</u>	<u>6,649</u>	<u>\$48,800</u>	<u>392,790</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,035)</u>	<u>9,626</u>	<u>(6,649)</u>		<u>942</u>
Other Financing Receipts (Disbursements)					
Transfers In			8,000		8,000
Transfers Out	(8,000)				(8,000)
Other Financing Sources		4,469			4,469
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(8,000)</u>	<u>4,469</u>	<u>8,000</u>		<u>4,469</u>
<i>Net Change in Fund Cash Balances</i>	<u>(10,035)</u>	<u>14,095</u>	<u>1,351</u>		<u>5,411</u>
<i>Fund Cash Balances, January 1</i>	<u>207,869</u>	<u>138,560</u>	<u>2,384</u>		<u>348,813</u>
<i>Fund Cash Balances, December 31</i>	<u>\$197,834</u>	<u>\$152,655</u>	<u>\$3,735</u>		<u>\$354,224</u>

See accompanying notes to the financial statements

**Village of Waynesfield
Auglaize County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balance (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2022**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$1,261,694
Miscellaneous	983
	1,262,677
<i>Total Operating Cash Receipts</i>	<i>1,262,677</i>
Operating Cash Disbursements	
Personal Services	196,959
Employee Fringe Benefits	60,079
Contractual Services	870,051
Supplies and Materials	87,882
Other	339
	1,215,310
<i>Total Operating Cash Disbursements</i>	<i>1,215,310</i>
<i>Operating Income</i>	<i>47,367</i>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	43,132
Miscellaneous Receipts	1,471
Capital Outlay	(114,487)
Excise Tax Payment - Electric	(4,469)
Principal Retirement	(26,275)
Interest and Other Fiscal Charges	(34,610)
	(135,238)
<i>Total Non-Operating (Disbursements)</i>	<i>(135,238)</i>
<i>Income (Loss) before Transfers</i>	<i>(87,871)</i>
Transfers In	84,436
Transfers Out	(84,436)
	(87,871)
<i>Net Change in Fund Cash Balance</i>	<i>(87,871)</i>
<i>Fund Cash Balance, January 1</i>	<i>1,284,356</i>
<i>Fund Cash Balance, December 31</i>	<i>\$1,196,485</i>

See accompanying notes to the financial statements

Village of Waynesfield
Auglaize County
Statement of Additions, Deductions
and Changes in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2022

	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$5,031
Other Amounts Collected for Distribution	12,169
<i>Total Additions</i>	17,200
Deductions	
Distributions to Other Governments	17,200
<i>Total Deductions</i>	17,200
<i>Net Change in Fund Balance</i>	
<i>Fund Cash Balance, January 1</i>	
<i>Fund Cash Balance, December 31</i>	
<i>See accompanying notes to the financial statements</i>	

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Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Waynesfield, Auglaize County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village 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 services and emergency medical services.

Joint Ventures, Jointly Governed Organization, and Public Entity Risk Pools

The Village participates in two joint ventures, one jointly governed organization, and one public entity risk pool. Note 11 through Note 13 to the financial statements provides additional information for these entities.

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 Auglaize County Regional Planning Commission - created to formulate and review plans affecting long and short term social, economic, and governmental development within the region.

Ohio Municipal League Group Rating Plan - created to allow municipalities an opportunity to pool resources to reduce workers' compensation premiums.

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 balance (regulatory cash basis) for the proprietary fund type and a statement of additions, deductions and changes in fund balance (regulatory cash basis) for the fiduciary fund type, which are all organized on a 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:

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

Debt Service Fund: These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for outstanding debt service for projects. The Village had the following significant Debt Service Funds:

Osgood Loan – Park Enhancement: This loan was acquired to purchase adjoining properties to the Village's park. Acquiring this land was also a part of the Park Enhancement Project.

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

West Wapakoneta Street Project: This fund received restricted receipts for the street repair project.

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: The Fiduciary fund is a custodial fund. Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. Mayors Court is recorded in the Custodial 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 custodial funds) be budgeted annually.

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

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

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

A summary of 2022 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 upon 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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

For regulatory purposes, limited disclosure related to fund balances is included in Note 16.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts (Revenue)			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General (1000)	\$267,750	\$289,036	\$21,286
Special Revenue (2000)	82,176	60,365	(21,811)
Debt Service (3000)	8,000	8,000	0
Capital Projects (4000)	965,800	48,800	(917,000)
Enterprise (5000)	1,357,091	1,391,716	34,625
Custodial (9000)	25,000	17,200	(7,800)
Total	<u>\$2,705,817</u>	<u>\$1,815,117</u>	<u>(\$890,700)</u>

2022 Budgeted vs. Actual Budgetary Basis (Expenditures)			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General (1000)	\$394,680	\$311,652	\$83,028
Special Revenue (2000)	165,859	46,535	119,324
Debt Service (3000)	8,000	6,649	1,351
Capital Projects (4000)	935,000	48,800	886,200
Enterprise (5000)	1,961,685	1,499,834	461,851
Fiduciary (9000)	25,776	17,200	8,576
Total	<u>\$3,491,000</u>	<u>\$1,930,670</u>	<u>\$1,560,330</u>

Note 4 – Deposits and Investments

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

Cash Management Pool:	2022
Demand deposits	\$ 1,550,509
Cash on Hand	<u>200</u>
Total Deposits and Cash on Hand	<u>\$1,550,709</u>

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 5 – Taxes

Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

Retirement System

The Village's full-time police officers belong to the Ohio 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.

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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, 2022.

Social Security

The 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 has paid all contributions required through December 31, 2022.

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 contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
CM08U - OPWC North/ 3rd Street Reconstruction	\$8,000	0%
CT40K - S. Westminster St. Reconstruction	\$95,754	0%
CM13I - Water Treatment Plant Improvements	\$89,337	0%
CM10T - OPWC Northtown Storm Sewer Replacement	\$71,504	0%
CT27Q - OPWC N. Westminster Street Project	\$238,610	0%
CT43S - OPWC WWTP Ugrades	\$457,333	0%
7198 - OWDA WWTP Improvements	\$298,341	0.29%
Osgood State Bank - Park Enhancement	\$61,127	3.49%
Omega JV5	\$41,031	Variable
Total	\$1,361,037	

Ohio Public Works Commission #CM13I - 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.

Ohio Public Works Commission #CT40K - 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%).

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2022

OMEGA JV 5 - 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. The debt will be financed through user charges. No amortization data is available at this time.

Ohio Public Works Commission #CM10T - In 2016, a loan from the Ohio Public Works Commission was obtained to upgrade and replace the Northtown Storm Sewer located near the Industrial Park. The loan amount was for \$89,418.00 for a period of 20 years at a 0% interest rate. The project concluded in the Spring of 2018. The debt will be financed through assessments collected by the Auglaize County Auditor's office.

Ohio Public Works Commission #CT27Q - 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. Reconstruction ended in late 2016 and change orders were made from ODOT, changing the final dollar amount disbursed to \$286,332. This is a 30-year loan with no interest. This loan is being paid in equal amounts from the Street Construction and Maintenance, Sewer Operating, and Electric Operating funds.

Ohio Public Works Commission #CT43S - During 2016, the Village was awarded a \$560,000 loan from the Ohio Public Works Commission for the Wastewater Treatment Plant upgrades. The loan is for 30 years at 0% interest. This project concluded in 2017. This loan is being repaid from the WWTP Lagoons Repay fund.

Osgood Bank Loan - In 2017, the Village obtained a loan through Osgood State Bank for \$103,438.00, 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. This loan is being repaid from the Park Enhancement Project fund with general revenues of the Village.

The Ohio Water Development Authority (OWDA) Loan No.7198 - In 2015, the Village encumbered a loan from Ohio Water Development Authority for WasteWater Treatment Plant Improvements. The Village drew additional funds in 2017 for a total of \$425,920.00. The 20-year loan is at .29% interest. This loan will be repaid with Waste Water Treatment Plant Lagoon Repayment Fund.

Ohio Public Works Commission (OPWC) Loan No. CM08U - In 2019, the Village encumbered a loan from the Ohio Public Works Commission for North 3rd Street Reconstruction. The loan amount was \$10,000 for a period of 20 years at a 0% interest rate. This loan is being repaid from the Street Construction Maintenance and Repair fund.

Amortization

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

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Year ending December 31:	OPWC CM08U	OPWC CM13I	OPWC CT40K	OPWC CT27Q	OPWC CT43S	OPWC - CT10T
2023	\$500	\$14,890	\$15,959	\$9,544	\$18,667	\$4,469
2024	500	14,890	15,959	9,544	\$18,667	4,469
2025	500	14,890	15,959	9,544	\$18,667	4,469
2026	500	14,889	15,959	9,544	\$18,667	4,469
2027	500	14,889	15,959	9,544	\$18,667	4,469
2028-2032	2,500	14,889	15,959	47,722	93,333	22,345
2033-2037	2,500			47,722	93,333	22,345
2038-2042	500			47,723	93,332	4,469
2043-2047				47,723	84,000	
Total	8,000	89,337	95,754	238,610	457,333	71,504

Year ending December 31:	OWDA 7198	
	Principal	Interest
2023	21,701	849
2024	21,764	786
2025	21,827	723
2026	21,891	660
2027	21,954	596
2028-2032	110,731	2,023
2033-2037	78,473	456
Total	298,341	6,093

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 with An Equity Interest

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

The Village of Waynesfield 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.

Village of Waynesfield, Ohio
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Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

Also 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, 2022, Waynesfield has met its 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 \$2,490 at December 31, 2022. Complete financial statements for OMEGA JV5 may be obtained from AMP.

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 – Jointly Governed Organization

The Village is associated with the Auglaize County Regional Planning Commission. The Village is responsible for sending an elected Council member and alternate to sit on the board. The Commission’s board consists of representatives from participating political subdivisions, the Auglaize County Commissioners, and appointed citizens. The Commission formulates and reviews plans affecting long- and short-term social, economic, and governmental development within the region.

Note 13 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six-member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 14 – Transfers

The Village transferred funds from the Water and Sewer Operations Funds to the Water Enterprise Improvement, Sewer Enterprise Improvement, Other Enterprise – Water Treatment Plant, and Other Enterprise WWTP Lagoons Repay in the amount of \$84,436. The General Fund transferred \$8,000 to the Debt Service Fund.

Note 15 - AMP Revenue Coverage

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 11.

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 of financial information for the Electric Fund is presented below:

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Calculation of JV5 Debt Coverage:

Operating Income	\$ (13,077)
JV5 Debt Service (If included above as Operating Expense)	\$ 7,417
Capital Outlay	32,771
Adjusted Operating Income Available for Debt Service	\$ 27,111
Omega JV5 Debt Service	\$ 7,417
Total Electric System Debt Service	\$ 7,417
Coverage (Covenants required 110% coverage of all debt)	366%

As of December 31, 2022:

	Electric Fund	Other Proprietary Funds	Total Proprietary Funds
Operating Cash Receipts			
Charges for Services	\$983,470	\$278,224	\$1,261,694
Other Operating Receipts	983		983
Total Operating Cash Receipts	984,453	278,224	1,262,677
Operating Cash Disbursements			
Personal Services	87,057	109,902	196,959
Fringe Benefits	29,893	30,186	60,079
Contractual Services	830,268	39,783	870,051
Supplies and Materials	50,312	37,570	87,882
Other Operating Disbursements		339	339
Total Operating Cash Disbursements	997,530	217,780	1,215,310
Operating Receipts Over (Under) Operating Disbursements	(13,077)	60,444	47,367
Non-Operating Receipts (Disbursements)			
Other Non-Operating Receipts	895	43,708	44,603
Other Non-Operating Disbursements	0	(4,469)	(4,469)
Capital Outlay	(32,771)	(81,716)	(114,487)
Principal Retirement	(4,469)	(21,806)	(26,275)
Interest and Other Fiscal Charges		(34,610)	(34,610)
Total Non-Operating Receipts (Disbursements)	(36,345)	(98,893)	(135,238)
Change in Net Position	(49,422)	(38,449)	(87,871)
Net Position - Cash Basis, January 1	747,854	536,502	1,284,356
Net Position - Cash Basis, December 31	698,432	498,053	1,196,485

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 790 kilowatts (kW) of a total 771,281kW, giving the Village a 0.10 percent project 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, the payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel. As a result of a March 31, 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's estimated share of the impaired costs at March 31, 2014 was \$136,923. The Village received a credit of \$42,984 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$35,728 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU, leaving an estimated net impaired cost balance of \$58,211. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

The Village made payments in 2022 totaling \$7,473, leaving a net impaired cost estimate of \$41,031 at December 31, 2022.

The Village intends to recover these costs and repay AMP through a power cost adjustment.

Note 16 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Total
Nonspendable:					\$0
Unclaimed Monies	\$1,776				1,776
Outstanding Encumbrances	12,581	265	0	0	12,846
<i>Total</i>	<u>\$14,357</u>	<u>\$265</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,622</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. These restricted, committed and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Village of Waynesfield, Ohio
Auglaize County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 17 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. No funds were returned to the granting agency, and all funding was spent on the behalf of the village. These amounts are reflected as expenditures in the applicable Special Revenue Fund on the accompanying financial statements.

Note 18 – Restatement of Fund Cash Balances

The Village transferred \$8,000 from the General fund to the Custodial fund during a prior audit period. This transfer was later determined to be made in error. This resulted in the following changes from December 31, 2021 ending cash fund balance to the January 1, 2022 beginning cash fund balances for the General fund and Custodial fund:

Opinion Unit	December 31, 2021 Ending Balance	January 1, 2022 Restated Beginning Balance	Variance
General	\$199,869	\$207,869	\$8,000
Custodial	\$8,000	\$0	(\$8,000)
	<u>\$207,869</u>	<u>\$207,869</u>	<u>\$0</u>

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OHIO AUDITOR OF STATE KEITH FABER



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

Village of Waynesfield
Auglaize County
300 North Westminster Street
P.O. Box 128
Waynesfield, Ohio 45896

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Village of Waynesfield, Auglaize County, (the Village) and have issued our report thereon dated October 28, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted a restatement of General and Custodial fund beginning balances.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the finding identified in our audit and described in the accompanying schedule of findings. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

October 28, 2024

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022**

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

FINDING NUMBER 2023-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were identified in the financial statements for 2022 due to lack of proper policies and procedures over financial reporting:

- The Village did not properly report the Unclaimed Money fund as part of the General fund, the balance was reported as part of the Custodial fund, resulting in an understatement of the General fund balance by \$1,776 and overstatement of the Custodial fund by \$1,776.
- The Village did not properly classify Custodial fund Mayors Court fees of \$12,169, resulting in an overstatement in fines, licenses and permits and an understatement in other amounts collected for distribution in the Custodial fund.
- The Village did not properly record the repayment of a prior year transfer of money from the General fund, resulting in the understatement of General fund beginning and ending balance, and an overstatement of Custodial fund beginning and ending balance.

The following errors were identified in the financial statements for 2023 due to lack of proper policies and procedures over financial reporting:

- The Village did not properly record the repayment of a prior year transfer of money from the General fund, resulting in the understatement of miscellaneous revenue of \$8,000 in the General fund and the understatement of distributions to other funds of \$8,000 in the Custodial fund.
- The Village had several payments indicated as outstanding at December 31, 2023, which did not represent valid outstanding items as they were duplicate EFTs and never issued, these resulted in the understatement of the General fund balance in the amount of \$1,566 and the overstatement of expenditures in general government of \$313, security of persons and property of \$1,214, leisure time activities of \$35, and transportation of \$4; understatement of the Special Revenue fund balance in the amount of \$40 and overstatement of expenditures in transportation of \$40; and understatement of Enterprise fund balance in the amount of \$1,147 and overstatement of expenditures in contract services of \$146 and fringe benefits of \$1,001.
- The Village did not properly record receipts received from Auglaize County, resulting in the overstatement of intergovernmental revenue in the General fund of \$173 and an understatement of intergovernmental revenue for the Special Revenue fund of \$173.
- The Village did not record an OPWC loan payment made by Auglaize County on behalf of the Village resulting in an understatement of principal retirement and an understatement of other financing sources in the amount of \$4,469 in the Special Revenue fund.
- The Village did not properly record vendor payments in the amount of \$10,001 resulting in an overstatement of principal retirement and an understatement of capital outlay in the Special Revenue fund.
- The Village did not properly report the Unclaimed Money fund as part of the General fund, the balance was reported as part of the Custodial fund, resulting in an understatement of the General fund balance by \$1,776 and overstatement of the Custodial fund by \$1,776

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

**FINDING NUMBER 2023-001
(Continued)**

- The Village did not properly report the on-behalf activity related to the OPWC project resulting in the understatement of capital outlay by \$1,632,000, the understatement of loan proceeds by \$500,000 and the understatement of intergovernmental revenue by \$1,132,000 in the Capital Project fund.
- The Village did not properly record transfers resulting in the overstatement of transfers in and fund balance in the Other Enterprise WWTP Lagoons Repay fund of \$2,482 an understatement of transfers in and fund balance in the Other Enterprise - Water Treatment Plant fund of \$2,482
- The Village did not properly record December 2023 utility receipts in the 2023 financial statements, resulting in the understatement of charges for services revenue for the Water fund of \$8,689, the Sewer fund of \$10,723 and the Electric fund of \$84,560 for a total Enterprise charge for services understatement of \$103,972.
- The Village did not properly record the Mayor's Court activity resulting in the understatement of other amounts collected for distribution of \$5,741 and understatement of distributions to other local governments of \$4,823 and the overstatement of fines, licenses and permits of \$918.

The above entries were adjusted on the financial statements and the Village's accounting system. Additional errors were identified in the financial statements and did not require adjustment to the Village's financial statements for 2022 and 2023 ranging from \$3 to \$33,557.

Failure to properly record financial activity could lead to material financial statement errors and users of the financial statements basing their conclusions on incorrect information.

The Village should establish and implement procedures to verify that all financial activity is recorded correctly.

Officials' Response

The Village of Waynesfield hired a new Fiscal Officer on March 6, 2023. There were a few mistakes that were made due to the learning process. The Village will continue to move forward with the new knowledge they have acquired and will work to correct these errors in the future.



VILLAGE OF WAYNESFIELD

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023 AND 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	Material Weakness— Financial Reporting Errors	Not Corrected	Repeated as Finding 2023-001

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WAYNESFIELD

AUGLAIZE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 11/12/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov