



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Waynesfield
Auglaize County
P.O. Box 476
Waynesfield, Ohio 45896

To the Village Council:

We have audited the accompanying financial statements of the Village of Waynesfield, Auglaize County, (the Village) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Waynesfield, Auglaize County, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2000, 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 grants.

This report is intended solely for the information and use of the management and Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

March 2, 2000

Village of Waynesfield

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$9,629	\$0	\$9,629
Special Assessments	205	0	205
Intergovernmental Receipts	80,345	24,474	104,819
Charges for Services	274	0	274
Fines, Licenses, and Permits	733	90	823
Earnings on Investments	28,840	3,688	32,528
Miscellaneous	4,280	538	4,818
	<u>124,306</u>	<u>28,790</u>	<u>153,096</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	24,341	0	24,341
Public Health Services	96	0	96
Leisure Time Activities	2,935	0	2,935
Transportation	4,376	37,712	42,088
General Government	69,114	0	69,114
Capital Outlay	6,207	6,207	12,414
	<u>107,069</u>	<u>43,919</u>	<u>150,988</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	<u>17,237</u>	<u>(15,129)</u>	<u>2,108</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	750	0	750
Transfers-Out	0	(750)	(750)
	<u>750</u>	<u>(750)</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	17,987	(15,879)	2,108
Fund Cash Balances, January 1	<u>108,017</u>	<u>83,111</u>	<u>191,128</u>
Fund Cash Balances, December 31	<u>\$126,004</u>	<u>\$67,232</u>	<u>\$193,236</u>
Reserves for Encumbrances, December 31	<u>\$808</u>	<u>\$2,014</u>	<u>\$2,822</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Types</u>		Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$558,192	\$0	\$558,192
Miscellaneous	3,957	893	4,850
Total Operating Cash Receipts	<u>562,149</u>	<u>893</u>	<u>563,042</u>
Operating Cash Disbursements:			
Personal Services	102,088	0	102,088
Fringe Benefits	26,810	0	26,810
Contractual Services	234,817	893	235,710
Supplies and Materials	58,250	0	58,250
Capital Outlay	30,112	0	30,112
Miscellaneous	2,400	913	3,313
Total Operating Cash Disbursements	<u>454,477</u>	<u>1,806</u>	<u>456,283</u>
Operating Income/(Loss)	<u>107,672</u>	<u>(913)</u>	<u>106,759</u>
Non-Operating Cash Receipts:			
Fines, Licenses and Permits	<u>0</u>	<u>775</u>	<u>775</u>
Total Non-Operating Cash Receipts	<u>0</u>	<u>775</u>	<u>775</u>
Non-Operating Cash Disbursements:			
Debt Service	<u>23,834</u>	<u>0</u>	<u>23,834</u>
Total Non-Operating Cash Disbursements	<u>23,834</u>	<u>0</u>	<u>23,834</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	83,838	(138)	83,700
Transfers-In	32,014	0	32,014
Transfers-Out	<u>(32,014)</u>	<u>0</u>	<u>(32,014)</u>
Net Receipts Over/(Under) Disbursements	83,838	(138)	83,700
Fund Cash Balances, January 1	<u>501,245</u>	<u>325</u>	<u>501,570</u>
Fund Cash Balances, December 31	<u>\$585,083</u>	<u>\$187</u>	<u>\$585,270</u>
Reserve for Encumbrances, December 31	<u>\$37,960</u>	<u>\$0</u>	<u>\$37,960</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$9,998	\$0	\$0	\$9,998
Special Assessments	214	0	0	214
Intergovernmental Receipts	75,947	24,257	39,054	139,258
Charges for Services	954	0	0	954
Fines, Licenses, and Permits	2,434	100	0	2,534
Earnings on Investments	21,864	2,890	0	24,754
Miscellaneous	5,909	0	0	5,909
Total Cash Receipts	<u>117,320</u>	<u>27,247</u>	<u>39,054</u>	<u>183,621</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	25,404	0	0	25,404
Public Health Services	26	0	0	26
Leisure Time Activities	3,581	0	0	3,581
Transportation	10,249	22,173	0	32,422
General Government	55,974	0	0	55,974
Capital Outlay	0	1,500	39,054	40,554
Total Disbursements	<u>95,234</u>	<u>23,673</u>	<u>39,054</u>	<u>157,961</u>
Total Receipts Over/(Under) Disbursements	<u>22,086</u>	<u>3,574</u>	<u>0</u>	<u>25,660</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	12,718	0	0	12,718
Transfers-Out	0	(12,718)	0	(12,718)
Total Other Financing Receipts/(Disbursements)	<u>12,718</u>	<u>(12,718)</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>34,804</u>	<u>(9,144)</u>	<u>0</u>	<u>25,660</u>
Fund Cash Balances, January 1	<u>73,213</u>	<u>92,255</u>	<u>0</u>	<u>165,468</u>
Fund Cash Balances, December 31	<u>\$108,017</u>	<u>\$83,111</u>	<u>\$0</u>	<u>\$191,128</u>
Reserves for Encumbrances, December 31	<u>\$9,760</u>	<u>\$0</u>	<u>\$0</u>	<u>\$9,760</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Proprietary Fund Types</u>		Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$530,486	\$0	\$530,486
Miscellaneous	6,409	1,443	7,852
Total Operating Cash Receipts	<u>536,895</u>	<u>1,443</u>	<u>538,338</u>
Operating Cash Disbursements:			
Personal Services	112,475	0	112,475
Fringe Benefits	24,789	0	24,789
Contractual Services	198,896	1,561	200,457
Supplies and Materials	57,662	0	57,662
Capital Outlay	33,206	0	33,206
Miscellaneous	2,455	2,951	5,406
Total Operating Cash Disbursements	<u>429,483</u>	<u>4,512</u>	<u>433,995</u>
Operating Income/(Loss)	<u>107,412</u>	<u>(3,069)</u>	<u>104,343</u>
Non-Operating Cash Receipts:			
Fines, Licenses and Permits	<u>0</u>	<u>2,294</u>	<u>2,294</u>
Total Non-Operating Cash Receipts	<u>0</u>	<u>2,294</u>	<u>2,294</u>
Non-Operating Cash Disbursements:			
Debt Service	<u>22,371</u>	<u>0</u>	<u>22,371</u>
Total Non-Operating Cash Disbursements	<u>22,371</u>	<u>0</u>	<u>22,371</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	85,041	(775)	84,266
Transfers-In	30,932	0	30,932
Transfers-Out	<u>(30,932)</u>	<u>0</u>	<u>(30,932)</u>
Net Receipts Over/(Under) Disbursements	85,041	(775)	84,266
Fund Cash Balances, January 1	<u>416,204</u>	<u>1,100</u>	<u>417,304</u>
Fund Cash Balances, December 31	<u>\$501,245</u>	<u>\$325</u>	<u>\$501,570</u>
Reserve for Encumbrances, December 31	<u>\$62,542</u>	<u>\$0</u>	<u>\$62,542</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Waynesfield, Auglaize County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water, sewer, and electric utilities, park operations (leisure time activities), and police services. The Village contracts with the Auglaize County Sheriff's department to provide security of persons and property.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit are valued at cost.

Investments are reported as assets. Accordingly purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses, at the time of the sale, are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund in 1998:

Construction Fund - This fund receives proceeds from the Ohio Public Works Commission. The grant monies are used to repair the streets and the sewer system.

4. Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Electric Fund - This fund receives charges for services from residents to cover the cost of providing electrical services to the Village (See Note 8).

5. Fiduciary Funds (Agency Funds)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Recycle Fund (Agency) - This fund receives proceeds from the sale of recycled items and the money, less a small fee collected by the Village, is disbursed to the various organizations who operate the recycling center.

Mayor's Court (Agency) - This fund receives and disburses fines and court costs collected by the Mayor's Court. At year-end the Mayor's Court is appended to and reported within the financial statements.

E. Budgetary Process

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

1. Appropriations

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

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

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

3. Encumbrances

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

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 578,506	\$ 492,698
Certificates of deposit	<u>200,000</u>	<u>200,000</u>
Total deposits and investments	<u>\$ 778,506</u>	<u>\$ 692,698</u>

Deposits:

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

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 was as follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 97,471	\$ 125,056	\$ 27,585
Special Revenue	25,400	28,790	3,390
Enterprise	528,000	594,163	66,163
Fiduciary	2,000	1,668	(332)
Total	<u>\$ 652,871</u>	<u>\$ 749,677</u>	<u>\$ 96,806</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 205,487	\$ 107,877	\$ 97,610
Special Revenue	108,512	46,683	61,829
Enterprise	1,046,944	548,285	498,659
Fiduciary	2,930	1,806	1,124
Total	<u>\$ 1,363,873</u>	<u>\$ 704,651</u>	<u>\$ 659,222</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 83,794	\$ 130,038	\$ 46,244
Special Revenue	24,275	27,247	2,972
Capital Projects	42,850	39,054	(3,796)
Enterprise	527,000	567,827	40,827
Fiduciary	2,000	3,737	1,737
Total	<u>\$ 679,919</u>	<u>\$ 767,903</u>	<u>\$ 87,984</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 157,007	\$ 104,994	\$ 52,013
Special Revenue	116,530	36,391	80,139
Capital Projects	42,850	39,054	3,796
Enterprise	943,204	545,328	397,876
Fiduciary	5,394	4,512	882
Total	<u>\$ 1,264,985</u>	<u>\$ 730,279</u>	<u>\$ 534,706</u>

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

4. PROPERTY TAX

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Omega JV5 Debt	\$ 118,252	5.84%
Mortgage Revenue Bonds	<u>96,300</u>	4.5%
Total	\$ <u>214,552</u>	

The Mortgage Revenue Bonds were issued for sewer system construction. Property and revenue of the Village's sewer system have been pledged to repay this debt.

The OMEGA JV5 Project consists of governmental entities that have joined together to finance a municipal electric generation facility. Bonded debt was issued in the total amount of \$153,415,000 for the project; the amount listed above and the amortization schedule below represent the Village's participant share. The debt will be financed through user charges.

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

	OMEGA JV5 Loan	Mortgage Revenue Bonds
Year ending December 31:		
2000	\$ 8,729	\$ 14,333
2001	8,731	13,834
2002	8,729	14,433
2003	8,730	14,939
2004	8,732	14,398
Subsequent	<u>175,140</u>	<u>45,252</u>
Total	<u>\$ 218,791</u>	<u>\$ 117,189</u>

6. RETIREMENT SYSTEMS

All full-time Village employees and part-time police officers belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Inland Marine
- Vehicles
- Errors and omissions

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

8. JOINT VENTURE

Ohio Municipal Electric Generation Agency Joint Venture 5 (JV5)

The Village is a participant with forty-two subdivisions within the State of Ohio in a joint venture to construct a hydroelectric plant and associated transmission facilities in West Virginia (on the Ohio River at the Belleville Locks and Dam) and receive electricity from its operation. The Ohio Municipal Electric Generation Agency Joint Venture 5 (JV5) was created for that purpose. On dissolution of the joint venture, the net assets of JV 5 will be shared by the participants on a percentage basis. The JV5 is managed by AMP-Ohio who acts as the joint venture's agent. The participants are obligated by the agreement to remit on a monthly basis those costs incurred from using electricity generated by the joint venture and a portion of the \$153,415,000 Certificates of Beneficial Interest debt that was issued to construct the fixed asset. In accordance with the joint venture agreement, the Village remitted \$16,887 to the joint venture in 1999 and \$17,085 in 1998. The City's equity interest in JV5 was eight percent at December 31, 1999 and December 31, 1998. Complete financial statements for JV5 can be obtained from AMP-Ohio at 601 Dempsey Road, Westerville, Ohio 43801.

9. CONTINGENT LIABILITIES

A. Litigation

The Village is a defendant in one lawsuit. Although the outcome of this suit is not presently determinable, management believes that the resolution of this matter will not materially adversely affect the Village's financial condition. The Village intends to vigorously defend its position; however, an amount has been set aside if the outcome should prove unfavorable.

B. Grants

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Waynesfield
Auglaize County
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Waynesfield, Ohio 45896

To the Village Council:

We have audited the accompanying financial statements of the Village of Waynesfield, Auglaize County, (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 2, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 2, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated March 2, 2000.

This report is intended for the information and use of the management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

March 2, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF WAYNESFIELD

AUGLAIZE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 2, 2000**