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*ALGER & ASSOCIATES, Inc.*



*PROFESSIONAL FINANCIAL AND COMPLIANCE AUDIT SERVICES*

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VILLAGE OF WAYNESBURG

STARK COUNTY, OHIO

**A&A**  
*REGULAR AUDIT*

FOR THE PERIOD

December 31, 2015 AND 2014

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# Dave Yost • Auditor of State

Village Council  
Village of Waynesburg  
PO Box 610  
110 North Main Street  
Waynesburg, Ohio 44688

We have reviewed the *Independent Auditor's Report* of the Village of Waynesburg, Stark County, prepared by Alger & Associates, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

July 27, 2016

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VILLAGE OF WAYNESBURG  
STARK COUNTY

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# ALGER & ASSOCIATES, Inc.

Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

Village of Waynesburg, Stark County  
P.O. Box 610, 110 North Main Street  
Waynesburg, OH 44688

To the Village Council:

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Waynesburg, Stark County, (the Village) as of and for the years ended December 31, 2015 and 2014.

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

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

### *Auditor's Responsibility*

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

6927 Burgundy Ave. N.W  
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Phone (330) 353-5851 – Fax (330) 768-7578

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

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2015 and 2014, or changes in financial position or cash flows thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Waynesburg, Stark County as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2016, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Alger &  
Associates, Inc.

Digitally signed by Alger &  
Associates, Inc.  
DN: cn=Alger & Associates, Inc.,  
o=Alger & Associates, Inc., ou,  
email=galger53@att.net, c=US  
Date: 2016.06.29 12:04:57 -04'00'

Alger & Associates, Inc.  
Certified Public Accountants  
North Canton, Ohio  
June 22, 2016

VILLAGE OF WAYNESBURG  
STARK COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$36,996	\$106,600	\$143,596
Intergovernmental	22,324	73,923	96,247
Charges for Services	-	27,001	27,001
Fines, Licenses and Permits	18,962	96	19,058
Earnings on Investments	150	1,029	1,179
Miscellaneous	5,277	3,742	9,019
<b>Total Cash Receipts</b>	<b>83,709</b>	<b>212,391</b>	<b>296,100</b>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	37,955	116,315	154,270
Public Health Services	-	38,828	38,828
Transportation	-	53,604	53,604
General Government	50,889	4,664	55,553
Capital Outlay	89,251	-	89,251
Debt Service:			
Principal Retirement	-	11,618	11,618
Interest and Fiscal Charges	885	2,582	3,467
<b>Total Cash Disbursements</b>	<b>178,980</b>	<b>227,611</b>	<b>406,591</b>
<b>Total Receipts Under Disbursements</b>	<b>(95,271)</b>	<b>(15,220)</b>	<b>(110,491)</b>
<b>Other Financing Receipts:</b>			
Sale of Notes	100,000	-	100,000
<b>Net Change in Fund Cash Balances</b>	<b>4,729</b>	<b>(15,220)</b>	<b>(10,491)</b>
<b>Fund Cash Balance, January 1</b>	<b>7,619</b>	<b>335,335</b>	<b>342,954</b>
<b>Fund Cash Balance, December 31</b>			
Restricted	-	320,020	320,020
Assigned	458	-	458
Unassigned	11,890	-	11,890
<b>Fund Cash Balance, December 31</b>	<b>\$12,348</b>	<b>\$320,115</b>	<b>\$332,463</b>

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

**VILLAGE OF WAYNESBURG  
STARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Proprietary Fund Type	Fiduciary Fund Type	Totals  (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$148,823	\$0	\$148,823
Fines, Licenses and Permits	-	22,935	22,935
 Total Operating Cash Receipts	 148,823	 22,935	 171,758
<b>Operating Cash Disbursements:</b>			
Personal Services	31,321	-	31,321
Travel Transportation	3,440	-	3,440
Contractual Services	51,239	-	51,239
Supplies and Materials	33,431	-	33,431
Capital Outlay	2,775	-	2,775
 Total Operating Cash Disbursements	 122,206	 -	 122,206
 Operating Income	 26,617	 22,935	 49,552
<b>Non-Operating Disbursements</b>			
Principal Retirement	(74,518)	-	(74,518)
Other Financing Uses	-	(24,095)	(24,095)
 Total Non-Operating Disbursements	 (74,518)	 (24,095)	 (98,613)
 Net Change in Fund Cash Balances	 (47,901)	 (1,160)	 (49,061)
 Fund Cash Balance, January 1	 304,675	 1,160	 305,835
 <b>Fund Cash Balance, December 31</b>	 <b>\$256,774</b>	 <b>\$0</b>	 <b>\$256,774</b>

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

**VILLAGE OF WAYNESBURG  
STARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$36,542	\$105,849	\$142,391
Intergovernmental	20,680	72,791	93,471
Charges for Services	-	52,136	52,136
Fines, Licenses and Permits	13,848	-	13,848
Earnings on Investments	244	1,038	1,282
Miscellaneous	45,594	11,771	57,365
<b>Total Cash Receipts</b>	<b>116,908</b>	<b>243,585</b>	<b>360,493</b>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	40,363	107,639	148,002
Public Health Services	-	48,952	48,952
Transportation	-	40,510	40,510
General Government	81,920	2,577	84,497
Capital Outlay	-	800	800
Debt Service:			
Principal Retirement	-	10,570	10,570
Interest and Fiscal Charges	-	3,565	3,565
<b>Total Cash Disbursements</b>	<b>122,283</b>	<b>214,613</b>	<b>336,896</b>
<b>Net Change in Fund Cash Balances</b>	<b>(5,375)</b>	<b>28,972</b>	<b>23,597</b>
<b>Fund Cash Balance, January 1</b>	<b>12,994</b>	<b>306,363</b>	<b>319,357</b>
<b>Fund Cash Balance, December 31</b>			
Restricted	-	335,335	335,335
Assigned	597	-	597
Unassigned	7,022	-	7,022
<i>Fund Cash Balance, December 31</i>	<b>\$7,619</b>	<b>\$335,335</b>	<b>\$342,954</b>

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

**VILLAGE OF WAYNESBURG  
STARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts:</b>			
Charges for Services	\$141,303	\$0	\$141,303
Fines, Licenses and Permits	-	18,111	18,111
<b>Total Operating Cash Receipts</b>	<b>141,303</b>	<b>18,111</b>	<b>159,414</b>
<b>Operating Cash Disbursements:</b>			
Personal Services	31,554	-	31,554
Travel Transportation	4,552	-	4,552
Contractual Services	55,431	-	55,431
Supplies and Materials	25,109	-	25,109
Capital Outlay	31,743	-	31,743
<b>Total Operating Cash Disbursements</b>	<b>148,389</b>	<b>-</b>	<b>148,389</b>
Operating Income/(Loss)	(7,086)	18,111	11,025
<b>Non-Operating Receipts/Disbursements</b>			
Sale of Capital Assets	551	-	551
Principal Retirement	(57,632)	-	(57,632)
Other Financing Uses	-	(16,951)	(16,951)
<b>Total Non-Operating Receipts/Disbursements</b>	<b>(57,081)</b>	<b>(16,951)</b>	<b>(74,032)</b>
Net Change in Fund Cash Balances	(64,167)	1,160	(63,007)
Fund Cash Balance, January 1	368,842	-	368,842
<b>Fund Cash Balance, December 31</b>	<b>\$304,675</b>	<b>\$1,160</b>	<b>\$305,835</b>

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

VILLAGE OF WAYNESBURG  
STARK COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Waynesburg, Stark County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, cemetery operations, and police services. Fire protection services are provided to Village residents by the Village's Volunteer Fire Department.

The Village participates in jointly governed organizations. Notes 8 to the financial statements provides additional information for these entities. These organizations are:

Stark County Council of Governments:

Jointly governed organization that funds and operates the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab.

Stark County Regional Planning Commission:

Jointly governed organization that provides comprehensive planning, both long and short-term, dealing with the economic and physical environment of Stark County.

Stark Quad Ambulance District:

Body corporate and politic established for the purpose of providing public emergency services for the residents of the Stark QUAD Ambulance District.

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

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The 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.

VILLAGE OF WAYNESBURG  
STARK COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village reports its repurchase agreement at cost.

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

2. Special Revenue Funds

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

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

Cemetery Fund - This fund receives monies from the sale of cemetery lots and charges for the burials which are used to maintain the cemetery.

Fire Levy Fund - This fund receives levy monies to operate and maintain the Village Volunteer Fire Department.

Police Levy Fund - This fund receives levy monies to operate and maintain the Village Police Department.

VILLAGE OF WAYNESBURG  
STARK COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Enterprise Funds

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

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

Water Debt Fund - This fund receives a portion of the Village's water surcharge from residents to retire debt associated with the water plant expansion, upgrading of Village water meters, and the purchase of a new water truck.

Water Improvement Fund - This fund receives a portion of the Village's water surcharge from residents to cover the cost of improving the Village's water plant.

4. Fiduciary Funds

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

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for:

Mayor's Court Fund - This fund receives fines and forfeitures from the Mayor's Court to be distributed to the Village, State of Ohio, and other local governments.

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 Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

VILLAGE OF WAYNESBURG  
STARK COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(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 approve estimated resources.

3. Encumbrances

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

A summary of 2015 and 2014 budgetary activity appears in Note 3.

F. Fund Balance

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

1. Nonspendable

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

2. Restricted

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

3. Committed

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

VILLAGE OF WAYNESBURG  
STARK COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in 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.

G. Property, Plant, and Equipment

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

H. 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.

2. EQUITY IN POOLED 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:

	2015	2014
Demand deposits	\$48,032	\$46,080
Repurchase agreement	541,205	602,709
Total deposits and investments	<u>\$589,237</u>	<u>\$648,789</u>

VILLAGE OF WAYNESBURG  
STARK COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS (Continued)

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; [or] collateralized by or collateralized by the financial institution's public entity deposit pool.

**Investments:** The Village's financial institution transfers securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$210,405	\$183,709	(\$26,696)
Special Revenue	237,220	212,391	(24,829)
Enterprise	139,500	148,823	9,323
Total	\$587,125	\$544,923	(\$42,202)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$217,167	\$178,980	\$38,187
Special Revenue	338,110	227,611	110,499
Enterprise	225,557	196,724	28,833
Total	\$780,834	\$603,315	\$177,519

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$145,928	\$116,908	(\$29,020)
Special Revenue	241,100	243,585	2,485
Enterprise	145,000	141,854	(3,146)
Total	\$532,028	\$502,347	(\$29,681)

**VILLAGE OF WAYNESBURG  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$156,516	\$122,283	\$34,233
Special Revenue	325,774	214,613	111,161
Enterprise	212,695	206,021	6,674
Total	\$694,985	\$542,917	\$152,068

Contrary to Ohio law, during fiscal year 2015, 25 out of the 43 (58%) expenditure transactions tested were not properly certified prior to incurring the obligation.

**4. PROPERTY TAX**

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

Public utilities are also taxed on personal and real property located within the Village.

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

**5. DEBT**

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
2013 Promisory Note	\$73,042	3.05%
2015 Promisory Note	\$100,000	3.50%
Caldwell Tanks	\$8,443	0.00%
Total	\$181,485	

**VILLAGE OF WAYNESBURG  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**5. DEBT (continued)**

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

Year ending December 31:	Promisory Note Fire Tanker	Promisory Note Property Purchase	Caldwell Tanks
2016	\$14,135	\$100,301	\$8,443
2017	14,135		
2018	14,135		
2019	14,135		
2020	14,135		
2021	14,135		
Total	<u>\$84,810</u>	<u>\$100,301</u>	<u>\$8,443</u>

The 2013 Promissory Note relates to the purchase of a tanker truck. The above amortization schedules out the annual installments of \$14,135 until its maturity in 2021; however, the Village paid the promissory note in full on April 12, 2016.

The 2015 Promissory Note relates to the purchase of property at 110 North Main Street for the new Village Hall.

Caldwell Tanks, Inc.'s entered into an agreement in 2011 with the Village of Waynesburg to provide for the rehabilitation and maintenance services of the Waynesburg Hill 200,000 Gallon Water Storage Tank to be paid for at an annual sum of \$59,848 in quarterly installments in the amount of \$14,962 for a period of one four year term unless otherwise terminated by the agreement or otherwise by laws. The beginning balance was \$140,593 as of January 1, 2014.

**6. RETIREMENT SYSTEMS**

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

The Ohio Revised Code also prescribes contribution rates. For the period of January 1, 2014 through June 30, 2014, OP&F participants contributed 10.75% of their wages. For the period July 1, 2014 through June 30, 2015, OP&F participants contributed 11.5% of their wages. For the period July 1, 2015 through December 31, 2015, OP&F participants contributed 12.25% of their wages. For 2015 and 2014, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages and 24% of the Fire Chief's wages, respectively. For 2015 and 2014, OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

VILLAGE OF WAYNESBURG  
STARK COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)

7. RISK MANAGEMENT

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

**Health and Insurance**

The Village's Police Chief, Superintendent, and Assistant Superintendent receive health insurance coverage through Aultcare.

8. JOINTLY GOVERNED ORGANIZATIONS

The Stark Council of Governments

The Stark Council of Governments (SCOG) is a jointly governed organization. SCOG is a regional council of governments formed under chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by its membership, including Stark County, and other cities, villages, and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and performs accounting and finance related activities. Continued existence of the agency is not dependent on the Village's continue participation nor does the Village have an equity interest in the SCOG. The SCOG is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden to the Village. Complete financial statements may be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

Stark County Regional Planning Commission

The Village participates in the Stark County Regional Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Stark County, and other cities, villages, and townships. The principal aim of the Commission is to provide comprehensive planning, both long and short-term, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission including budgeting, appropriating, contracting, and designating management. The Village has no financial responsibility for any of the Commission's liabilities. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

VILLAGE OF WAYNESBURG  
STARK COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)

8. JOINTLY GOVERNED ORGANIZATIONS (Continued)

Stark QUAD Ambulance District

Stark QUAD Ambulance District (the District) is a body corporate and politic established for the purpose of providing public emergency ambulance services for the residents of the Stark QUAD Ambulance District which includes the Village of Magnolia and Waynesburg, and Sandy and Rose Townships. The District is directed by a Board of Trustees consisting of four members. One Board Member is appointed by each political subdivision with the District. The District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden to the Village.

9. CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits.

10. SUBSEQUENT EVENTS

As noted in footnote 5 the Village paid the 2013 promissory note relates to the purchase of a tanker truck in full on April 12, 2016.



# ALGER & ASSOCIATES, Inc.

Certified Public Accountants

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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 Waynesburg, Stark County  
P.O. Box 610, 110 North Main Street  
Waynesburg, OH 44688

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Village of Waynesburg, Stark County, (the Village) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2016, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### *Internal Control Over Financial Reporting*

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

6927 Burgundy Ave. N.W  
North Canton, OH 44720  
Phone (330) 353-5851 – Fax (330) 768-7578

*Compliance and Other Matters*

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2015-001.

*Purpose of this Report*

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

**Alger &  
Associates,  
Inc.**



Digitally signed by Alger &  
Associates, Inc.  
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o=Alger & Associates, Inc., ou,  
email=galger53@att.net, c=US  
Date: 2016.06.29 12:04:23 -04'00'

Alger & Associates, Inc.  
Certified Public Accountants  
North Canton, Ohio

June 22, 2016

VILLAGE OF WAYNESBURG  
STARK COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014

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

FINDING NUMBER 2015-001

**Noncompliance Citation**

**Ohio Revised Code §5705.41(D) requires** that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

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

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

VILLAGE OF WAYNESBURG  
STARK COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014  
(continued)

FINDING NUMBER 2015-001 – (continued)

During fiscal year 2015 and 2014, 25 out of the 43 (58%) of the expenditure transactions tested were not properly certified prior to incurring the obligation and there was no evidence of a “then and now” certificate being used by the Fiscal Officer. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances. In addition, Village Trustees did not establish, by resolution or ordinance, a blanket certificate limit.

Unless the exceptions noted above are used, prior certification in the form of purchase orders or “blanket” purchase orders is not only required by statute, but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over the disbursement process and reduce the possibility of the Village’s funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to a commitment of an obligation by the Village. When prior certification is not possible, “then and now” certification should be used.

We recommend the Village certify purchases to which section 5705.41 (D) applies. The Fiscal Officer should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation. In addition, Council should establish a blanket limit by resolution or ordinance.

VILLAGE OF WAYNESBURG  
STARK COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2015

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	<b>Ohio Revised Code §5705.41(D)</b> Fiscal officer did not certify the expenditures prior to incurring the obligation	No	Repeated as 2015-001
2013-002	<b>Mayor's Court:</b> Village did not have a formal policy for the collection of outstanding mayor's court fines nor was a listing maintained of such outstanding fines.	Yes	Finding No Longer Valid
2013-003	<b>Police Ticket Log:</b> Police Department failed to maintain a citation log	Yes	Finding No Longer Valid

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# Dave Yost • Auditor of State

VILLAGE OF WAYNESBURG

STARK 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  
AUGUST 9, 2016