

428 Second St.
Marietta, OH 45750
740.373.0056

1035 Murdoch Ave.
Parkersburg, WV 26101
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569



Certified Public Accountants, A.C.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY
Regular Audit**

For the Years Ended December 31, 2015 and 2014

www.perrycpas.com

...“bringing more to the table”

Tax– Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •

VILLAGE OF WAYNESFIELD, AUGLAIZE COUNTY
AUGLAIZE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2015	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2015	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2014	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2014	6
Notes to the Financial Statements	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	18
Schedule of Audit Findings	20
Schedule of Prior Audit Findings.....	23



428 Second St.
Marietta, OH 45750
740.373.0056

1035 Murdoch Ave.
Parkersburg, WV 26101
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

INDEPENDENT AUDITOR'S REPORT

June 30, 2016

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

To the Village Council:

Report on the Financial Statements

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

... "bringing more to the table"

Tax- Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •

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

As described in Note 1B 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 Waynesfield, Auglaize 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 1B.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 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.



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

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:				
Property and Other Local Taxes	\$ 44,490	\$ -	\$ -	\$ 44,490
Municipal Income Tax	123,117	-	-	123,117
Intergovernmental	45,282	38,942	199,142	283,366
Charges for Services	301	-	-	301
Fines, Licenses, and Permits	11,671	-	-	11,671
Earnings on Investments	4,020	281	-	4,301
Miscellaneous	6,934	56	-	6,990
	<u>235,815</u>	<u>39,279</u>	<u>199,142</u>	<u>474,236</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	79,943	-	-	79,943
Public Health Services	26	-	-	26
Leisure Time Activities	7,601	-	-	7,601
Transportation	6,854	49,767	-	56,621
General Government	130,404	420	-	130,824
Capital Outlay	-	8,043	199,142	207,185
Debt Service:				
Principal Retirement	3,990	10,373	-	14,363
	<u>228,818</u>	<u>68,603</u>	<u>199,142</u>	<u>496,563</u>
Total Cash Disbursements				
<i>Net Change in Fund Cash Balances</i>	6,997	(29,324)	-	(22,327)
Other Financing Receipts/(Disbursements):				
Transfer-In	-	5,000	-	5,000
Transfer-Out	(5,000)	-	-	(5,000)
	<u>(5,000)</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Total Other Financing Receipts/(Disbursements)				
<i>Net Change in Fund Cash Balances</i>	1,997	(24,324)	-	(22,327)
<i>Fund Cash Balances, January 1</i>	<u>212,263</u>	<u>120,085</u>	<u>-</u>	<u>332,348</u>
Fund Cash Balances, December 31				
Restricted	-	95,761	-	95,761
Unassigned	214,260	-	-	214,260
	<u>214,260</u>	<u>-</u>	<u>-</u>	<u>214,260</u>
Fund Cash Balances, December 31	<u>\$214,260</u>	<u>\$ 95,761</u>	<u>\$ -</u>	<u>\$ 310,021</u>

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

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 1,115,959	\$ -	\$ 1,115,959
Miscellaneous	6,806	-	6,806
Total Operating Cash Revenues	<u>1,122,765</u>	<u>-</u>	<u>1,122,765</u>
Operating Cash Disbursements:			
Personal Services	156,223	-	156,223
Fringe Benefits	86,995	-	86,995
Contractual Services	634,599	-	634,599
Supplies and Materials	63,732	-	63,732
Other	7,101	-	7,101
Total Operating Cash Disbursements	<u>948,650</u>	<u>-</u>	<u>948,650</u>
Operating Income (Loss)	<u>174,115</u>	<u>-</u>	<u>174,115</u>
Non-Operating Cash Receipts/(Disbursements):			
Other Debt Proceeds	10,037	-	10,037
Miscellaneous Receipts	1,180	-	1,180
Capital Outlay	(83,205)	-	(83,205)
Principal Retirement	(61,572)	-	(61,572)
Interest and Other Fiscal Charges	(34,598)	-	(34,598)
Other Financing Sources	-	22,171	22,171
Other Financing Uses	-	(21,888)	(21,888)
Total Non-Operating Cash Receipts/(Disbursements)	<u>(168,158)</u>	<u>283</u>	<u>(167,875)</u>
Income (Loss) Before Transfers	5,957	283	6,240
Transfer-In	66,116	-	66,116
Transfer-Out	(66,116)	-	(66,116)
Net Change in Fund Cash Balances	5,957	283	6,240
Fund Cash Balances, January 1	<u>1,167,932</u>	<u>-</u>	<u>1,167,932</u>
Fund Cash Balances, December 31	<u>\$ 1,173,889</u>	<u>\$ 283</u>	<u>\$ 1,174,172</u>

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

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:				
Property and Other Local Taxes	\$ 47,570	\$ -	\$ -	\$ 47,570
Municipal Income Tax	140,278	-	505,747	140,278
Intergovernmental	44,463	39,431	-	83,894
Charges for Services	325	-	-	325
Fines, Licenses, and Permits	12,289	-	-	12,289
Miscellaneous	7,218	255	-	7,473
	<u>252,143</u>	<u>39,686</u>	<u>505,747</u>	<u>291,829</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	76,421	-	-	76,421
Public Health Services	29	-	-	29
Leisure Time Activities	8,626	-	-	8,626
Transportation	5,220	25,326	-	30,546
General Government	101,393	-	-	101,393
Capital Outlay	-	6,000	505,747	6,000
Debt Service:				
Principal Retirement	3,990	10,373	-	14,363
	<u>195,679</u>	<u>41,699</u>	<u>505,747</u>	<u>237,378</u>
Total Cash Disbursements				
<i>Net Change in Fund Cash Balances</i>	56,464	(2,013)	-	54,451
Other Financing Receipts/(Disbursements):				
Sale of Fixed Assets	10	-	-	10
	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>
Total Other Financing Receipts				
<i>Net Change in Fund Cash Balances</i>	56,474	(2,013)	-	54,461
<i>Fund Cash Balances, January 1</i>	155,789	122,098	-	277,887
Fund Cash Balances, December 31				
Restricted	-	120,085	-	120,085
Unassigned	212,263	-	-	212,263
	<u>212,263</u>	<u>120,085</u>	<u>-</u>	<u>332,348</u>
Fund Cash Balances, December 31	\$ 212,263	\$ 120,085	\$ -	\$ 332,348

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

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 1,026,376	\$ -	\$ 1,026,376
Miscellaneous	4,249	-	4,249
Total Operating Cash Revenues	<u>1,030,625</u>	<u>-</u>	<u>1,030,625</u>
Operating Cash Disbursements:			
Personal Services	165,137	-	165,137
Fringe Benefits	111,429	-	111,429
Contractual Services	655,341	-	655,341
Supplies and Materials	58,413	-	58,413
Other	9,030	-	9,030
Total Operating Cash Disbursements	<u>999,350</u>	<u>-</u>	<u>999,350</u>
Operating Income (Loss)	<u>31,275</u>	<u>-</u>	<u>31,275</u>
Non-Operating Cash Receipts/(Disbursements):			
Intergovernmental	181,549	-	181,549
Other Debt Proceeds	41,496	-	41,496
Miscellaneous Receipts	12,681	-	12,681
Capital Outlay	(226,545)	-	(226,545)
Principal Retirement	(79,610)	-	(79,610)
Interest and Other Fiscal Charges	(36,369)	-	(36,369)
Other Financing Sources	-	13,160	13,160
Other Financing Uses	-	(13,161)	(13,161)
Total Non-Operating Cash Receipts/(Disbursements)	<u>(106,798)</u>	<u>(1)</u>	<u>(106,799)</u>
Income (Loss) Before Transfers	(75,523)	(1)	(75,524)
Transfer-In	63,210	-	63,210
Transfer-Out	<u>(63,210)</u>	<u>-</u>	<u>(63,210)</u>
Net Change in Fund Cash Balances	(75,523)	(1)	(75,524)
Fund Cash Balances, January 1	<u>1,243,455</u>	<u>1</u>	<u>1,243,456</u>
Fund Cash Balances, December 31	<u>\$ 1,167,932</u>	<u>\$ -</u>	<u>\$ 1,167,932</u>

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

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED 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 Waynesfield, Auglaize County (the Village), as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides police protection; park operations; street repair and maintenance; water, sewer, and electric utilities. The Village contracts with Wayne Township to receive fire protection and emergency medical services.

The Village participates in two joint ventures. Note 10 to the financial statements provides further information on these organizations. These organizations are:

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

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

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

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

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.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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 received gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

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

3. Capital Projects 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 Fund:

S West Minster Street Project – This fund received restricted receipts for the street repair project.

4. 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 Fund:

Electric Fund – This fund receives charges for services from residents to cover electric service costs.

5. 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 Recycling Agency Fund accounts for proceeds received from the County for the sale of recycled items. These proceeds, less a \$15.00 monthly fee that is kept by the Village, are disbursed to the nonprofit organizations that do the Village recycling. Mayor's Court activity is also recorded in the Agency Fund.

VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 object level of control, and appropriations may not exceed estimated resources. Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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 re-appropriated.

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.

VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

3. Committed

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

4. Assigned

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

5. Unassigned

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

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(Continued)**

2. EQUITY IN POOLED DEPOSITS

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

	2015	2014
Demand deposits	\$ 1,484,193	\$ 1,500,280
Total deposits	\$ 1,484,193	\$ 1,500,280

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

3. BUDGETARY ACTIVITY

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

2015 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 197,205	\$ 235,815	\$ 38,610
Special Revenue	523,404	44,279	(479,125)
Capital Projects	1,050,000	199,142	(850,858)
Enterprise	1,291,258	1,133,982	(157,276)
Total	\$ 3,061,867	\$ 1,613,218	\$ (1,448,649)

2015 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 414,468	\$ 235,305	\$ 179,163
Special Revenue	439,347	68,653	370,694
Capital Projects	199,142	199,142	-
Enterprise	2,307,193	1,128,421	1,178,772
Total	\$ 3,360,150	\$ 1,631,521	\$ 1,728,629

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 166,557	\$ 252,153	\$ 85,596
Special Revenue	527,404	39,686	(487,718)
Capital Projects	562,071	505,747	(56,324)
Enterprise	2,429,206	1,266,351	(1,162,855)
Total	\$ 3,685,238	\$ 2,063,937	\$ (1,621,301)

2014 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 322,346	\$ 195,963	\$ 126,383
Special Revenue	649,502	41,699	607,803
Capital Projects	562,071	505,747	56,324
Enterprise	2,540,252	1,352,764	1,187,488
Total	\$ 4,074,171	\$ 2,096,173	\$ 1,977,998

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(Continued)**

4. PROPERTY TAX

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

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

5. LOCAL INCOME TAX

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.

6. DEBT

Debt outstanding at December 31, 2015 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Tower & Well CM23D	\$ 84,275	0.00%
OPWC UV Disinfection CM23H	20,520	0.00%
OPWC Water Treatment Plant Improvement CM13I	207,467	0.00%
OPWC South Westminster Street Repair CT40K	193,564	0.00%
OMEGA JV5 Bond	65,736	5.84%
OWDA 6544 Study Design	74,970	0.00%
OWDA 6257 Study Planning	7,463	0.00%
AMP Ohio Loan	89,227	
Total	<u>\$ 743,222</u>	

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

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

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(Continued)**

6. DEBT (Continued)

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

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

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

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

During 2012, a loan was obtained from Ohio Water Development Authority in the amount of \$154,800 for Water Quality Improvement Project. The loan is not in repayment status and no amortization data is available at this time.

During 2012, a loan was obtained from Ohio Water Development Authority in the amount of \$31,825 for Water Quality Improvement Project. The loan has not been fully disbursed to the Village. The loan is in repayment status, but no amortization data is available at this time.

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

Year Endind December 31,	OPWC CM23D	OPWC CM23H	OPWC CM13I	OPWC CT40K
2016	\$ 11,237	\$ 2,160	\$ 14,890	\$ 15,959
2017	11,237	2,160	14,890	15,959
2018	11,237	2,160	14,890	15,959
2019	11,237	2,160	14,890	15,959
2020	11,237	2,160	14,890	15,959
2021-2025	39,328	11,880	74,448	79,795
2026-2030	-	-	59,558	63,836
Total	<u>\$ 95,511</u>	<u>\$ 22,680</u>	<u>\$ 208,453</u>	<u>\$ 223,425</u>

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(Continued)**

7. 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 Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OP&F and OPERS are cost-sharing, multi-employer plan. 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 of July 1, 2014 through June 30, 2015, OP&F participants contributed 11.5% of their wages. For the period of 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 employee wages. For 2015 and 2014, OPERS members contributed 10% of their gross salaries, and the Village contributed an amount equaling 14% of the participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

8. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

The Village also provides health, life, and dental insurance coverage for all full time employees, the Fiscal Officer, fiscal assistant, and the Mayor through a private carrier.

9. 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.

10. TRANSFERS

The Village transferred funds from the Water and Sewer Operations Funds to the Debt Service Fund in the amounts of \$66,116 and \$63,210 for the years 2015 and 2014, respectively.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(Continued)**

11. JOINT VENTURES

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

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

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

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

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, 2015 the Village has met their debt coverage obligation.

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

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility.

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(Continued)**

11. JOINT VENTURES (Continued)

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

The resulting balance was \$65,891,509 at February 28, 2014. Due to scheduled principal repayments, the resulting note receivable has been reduced at December 31, 2015 to \$49,803,187. AMP will continue to collect debt service from the OMEGA JV5 participants until the note is paid in full.

The Village's net investment to date in OMEGA JV5 was \$2,390 at December 31, 2015. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

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

12. AMERICAN MUNICIPAL POWER

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

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

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(Continued)**

13. SEGMENT INFORMATION

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

	2015	2014
Total Assets	\$ 466,276	\$ 455,814
Total Liabilities	173,676	188,676

Condensed Operating Information:

Operating Receipts		
Charges for Services	847,729	791,670
Other Operating Receipts	6,806	4,249
Total Operating Receipts	854,535	795,919
Operating Expenses	792,973	792,191
Operating Income	61,562	3,728
Nonoperating Receipts (Disbursements)		
Miscellaneous	1,039	2,841
Principal Payments	(15,000)	(15,934)
Interest Payments	(1,407)	(8,533)
Capital Outlay	(35,732)	(35,440)
Change in Fund Cash Balance	10,462	(53,338)
Beginning Fund Cash Balance	455,814	509,152
Ending Fund Cash Balance	\$ 466,276	\$ 455,814

	2015	2014
Condensed Cash Flows Information:		
Net Cash Provided (Used) by:		
Operating Activities	\$ 61,562	\$ 3,728
Capital and Related Financing Activities		
Principal Payments on Capital and Related Debt	(15,000)	(15,934)
Interest Payments on Capital and Related Debt	(1,407)	(8,533)
Other Capital and Related Financing Activities	(34,693)	(32,599)
Net Cash Provided (Used) by Capital and Related Financing Activities	(51,100)	(57,066)
Net Increase (Decrease)	10,462	(53,338)
Beginning Fund Cash Balance	455,814	509,152
Ending Fund Cash Balance	\$ 466,276	\$ 455,814



428 Second St.
Marietta, OH 45750
740.373.0056

1035 Murdoch Ave.
Parkersburg, WV 26101
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

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

June 30, 2016

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

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United State and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the **Village of Waynesfield**, Auglaize County, (the Village) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued out report thereon dated June 30, 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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2015-001 to be a material weakness.



... "bringing more to the table"

Tax- Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll
Litigation Support - Financial Investigations

Members: American Institute of Certified Public Accountants

• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •

• Association of Certified Anti - Money Laundering Specialists •



Village of Waynesfield
Auglaize County

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

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as item 2015-002.

Purpose of this Report

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



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

VILLAGE OF WAYNESFIELD, AUGLAIZE COUNTY
AUGLAIZE COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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

FINDING NUMBER 2015-001

Material Weakness

Posting Receipts and Disbursements

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure the information provided to the readers of the financial statements is correct.

During 2015 and 2014, receipts and disbursements were not always posted or classified correctly. The following errors were noted:

- In 2015 and 2014, the Village failed to create an Agency Fund for Mayor's Court activity; this resulted in a reclassification of revenues, disbursements, and fund balances from General to the Agency Fund.
- In 2015 and 2014, debt payments were recorded as Capital Outlay in the Sewer Enterprise Improvement Fund and as operating expense in the Electric Operating Fund rather than Principal Retirement and Interest and Other Fiscal Charges.
- In 2014, Grant Proceeds were recorded as Sale of Notes in the Sewer Operating Fund.
- In 2015, Sale of Notes were recorded as State Restricted receipts in the Sewer Operating Fund.
- In 2015 and 2014, Recycling Agency Fund activity was incorrectly recorded as Contractual Services and Miscellaneous Receipts instead of Other Financing Sources and Other Financing Uses.
- In 2015 and 2014, OPWC receipts and disbursements were incorrectly recorded in the General and Special Revenue Funds instead of the Capital Projects Fund.

Not posting receipts and disbursements accurately resulted in the financial statements requiring adjustments and reclassifications. The Village has made all adjustments to its accounting system. The financial statements reflect all adjustments and reclassifications.

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

We also recommend the Fiscal Officer refer to the Ohio Village Handbook issued by the Auditor of State for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

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

**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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

FINDING NUMBER 2015-002

Noncompliance

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

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

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

The Village did not properly certify the availability of funds prior to purchase commitment for 53% of the expenditures tested for 2015 and for 63% of the expenditures tested for 2014.

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

VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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

FINDING NUMBER 2015-002 (Continued)

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

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

**VILLAGE OF WAYNESFIELD, AUGLAIZE COUNTY
AUGLAIZE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 20144**

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	Financial Statement Presentation	No	Repeated as Finding 2015-001