



Dave Yost • Auditor of State

VILLAGE OF WILLIAMSBURG
CLERMONT 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, 2014	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, 2014	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2013	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, 2013	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>	15
Schedule of Prior Audit Findings	17

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Williamsburg
Clermont County
107 West Main Street
Williamsburg, Ohio 45176

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 Williamsburg, Clermont County, Ohio (the Village) as of and for the years ended December 31, 2014 and 2013.

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.

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, 2014 and 2013, or changes in financial position 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 Williamsburg, Clermont County as of December 31, 2014 and 2013, 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 April 6, 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.



Dave Yost
Auditor of State

Columbus, Ohio

April 6, 2016

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$115,376	\$11,538	\$0	\$126,914
Municipal Income Tax	529,175	0	0	529,175
Intergovernmental	40,262	117,824	0	158,086
Charges for Services	60,004	0	0	60,004
Fines, Licenses and Permits	53,519	5,718	0	59,237
Earnings on Investments	522	119	0	641
Miscellaneous	4,186	3,562	2,550	10,298
<i>Total Cash Receipts</i>	<u>803,044</u>	<u>138,761</u>	<u>2,550</u>	<u>944,355</u>
Cash Disbursements				
Current:				
Security of Persons and Property	347,104	1,830	0	348,934
Public Health Services	5,628	0	0	5,628
Leisure Time Activities	26,276	0	0	26,276
Community Environment	36,594	0	0	36,594
Transportation	0	125,741	0	125,741
General Government	144,979	0	0	144,979
Capital Outlay	5,000	29,415	91,083	125,498
<i>Total Cash Disbursements</i>	<u>565,581</u>	<u>156,986</u>	<u>91,083</u>	<u>813,650</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>237,463</u>	<u>(18,225)</u>	<u>(88,533)</u>	<u>130,705</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	0	100,000	100,000
Transfers Out	(100,000)	0	0	(100,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(100,000)</u>	<u>0</u>	<u>100,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>137,463</u>	<u>(18,225)</u>	<u>11,467</u>	<u>130,705</u>
<i>Fund Cash Balances, January 1</i>	<u>409,720</u>	<u>92,486</u>	<u>567,414</u>	<u>1,069,620</u>
Fund Cash Balances, December 31				
Nonspendable	0	0	0	0
Restricted	0	74,261	578,881	653,142
Committed	0	0	0	0
Assigned	5,562	0	0	5,562
Unassigned (Deficit)	541,621	0	(0)	541,621
<i>Fund Cash Balances, December 31</i>	<u>\$547,183</u>	<u>\$74,261</u>	<u>\$578,881</u>	<u>\$1,200,325</u>

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

**VILLAGE OF WILLIAMSBURG
CLERMONT 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**

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$1,272,852	\$0	\$1,272,852
Fines, Licenses and Permits	3,838	0	3,838
Miscellaneous	218	0	218
<i>Total Operating Cash Receipts</i>	<u>1,276,908</u>	<u>0</u>	<u>1,276,908</u>
Operating Cash Disbursements			
Personal Services	188,463	0	188,463
Employee Fringe Benefits	58,807	0	58,807
Contractual Services	459,376	0	459,376
Supplies and Materials	65,030	0	65,030
Other	72	0	72
<i>Total Operating Cash Disbursements</i>	<u>771,748</u>	<u>0</u>	<u>771,748</u>
<i>Operating Income (Loss)</i>	<u>505,160</u>	<u>0</u>	<u>505,160</u>
Non-Operating Receipts (Disbursements)			
Other Non Operating Cash Receipts	0	55,458	55,458
Miscellaneous Receipts	3,500	0	3,500
Capital Outlay	(62,112)	0	(62,112)
Principal Retirement	(25,812)	0	(25,812)
Interest and Other Fiscal Charges	(20,205)	0	(20,205)
Other Non Operating Cash Disbursements	0	(55,458)	(55,458)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(104,629)</u>	<u>0</u>	<u>(104,629)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	400,531	0	400,531
Transfers In	500,000	0	500,000
Transfers Out	(500,000)	0	(500,000)
<i>Net Change in Fund Cash Balances</i>	400,531	0	400,531
<i>Fund Cash Balances, January 1</i>	<u>1,844,471</u>	<u>4,850</u>	<u>1,849,321</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$2,245,002</u></u>	<u><u>\$4,850</u></u>	<u><u>\$2,249,852</u></u>

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

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$104,650	\$11,406	\$0	\$116,056
Municipal Income Tax	458,321	0	0	458,321
Intergovernmental	47,641	115,099	0	162,740
Charges for Services	58,865	0	0	58,865
Fines, Licenses and Permits	50,975	4,824	0	55,799
Earnings on Investments	545	99	0	644
Miscellaneous	4,071	1,743	3,000	8,814
<i>Total Cash Receipts</i>	<u>725,068</u>	<u>133,171</u>	<u>3,000</u>	<u>861,239</u>
Cash Disbursements				
Current:				
Security of Persons and Property	370,130	2,584	0	372,714
Public Health Services	2,998	0	0	2,998
Leisure Time Activities	21,199	0	0	21,199
Community Environment	38,529	0	0	38,529
Transportation	0	126,324	0	126,324
General Government	144,205	2,577	0	146,782
Capital Outlay	28,466	12,907	69,348	110,721
<i>Total Cash Disbursements</i>	<u>605,527</u>	<u>144,392</u>	<u>69,348</u>	<u>819,267</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>119,541</u>	<u>(11,221)</u>	<u>(66,348)</u>	<u>41,972</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	0	100,000	100,000
Transfers Out	(100,000)	0	0	(100,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(100,000)</u>	<u>0</u>	<u>100,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	19,541	(11,221)	33,652	41,972
<i>Fund Cash Balances, January 1</i>	<u>390,179</u>	<u>103,707</u>	<u>533,762</u>	<u>1,027,648</u>
Fund Cash Balances, December 31				
Nonspendable	0	0	0	0
Restricted	0	92,486	567,414	659,900
Committed	0	0	0	0
Assigned	5,598	0	0	5,598
Unassigned (Deficit)	404,122	0	0	404,122
<i>Fund Cash Balances, December 31</i>	<u><u>\$409,720</u></u>	<u><u>\$92,486</u></u>	<u><u>\$567,414</u></u>	<u><u>\$1,069,620</u></u>

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

**VILLAGE OF WILLIAMSBURG
CLERMONT 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, 2013**

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$1,291,258	\$0	\$1,291,258
Fines, Licenses and Permits	6,410	0	6,410
<i>Total Operating Cash Receipts</i>	<u>1,297,668</u>	<u>0</u>	<u>1,297,668</u>
Operating Cash Disbursements			
Personal Services	184,028	0	184,028
Employee Fringe Benefits	63,495	0	63,495
Contractual Services	459,634	0	459,634
Supplies and Materials	76,213	0	76,213
Other	50	0	50
<i>Total Operating Cash Disbursements</i>	<u>783,420</u>	<u>0</u>	<u>783,420</u>
<i>Operating Income (Loss)</i>	<u>514,248</u>	<u>0</u>	<u>514,248</u>
Non-Operating Receipts (Disbursements)			
Other Non Operating Cash Receipts	0	54,030	54,030
Proceeds of Loans	5,495	0	5,495
Miscellaneous Receipts	86,039	0	86,039
Capital Outlay	(160,611)	0	(160,611)
Principal Retirement	(21,570)	0	(21,570)
Interest and Other Fiscal Charges	(20,356)	0	(20,356)
Other Non Operating Cash Disbursements	0	(53,972)	(53,972)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(111,003)</u>	<u>58</u>	<u>(110,945)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	<u>403,245</u>	<u>58</u>	<u>403,303</u>
Transfers In	596,917	0	596,917
Transfers Out	(596,917)	0	(596,917)
<i>Net Change in Fund Cash Balances</i>	<u>403,245</u>	<u>58</u>	<u>403,303</u>
<i>Fund Cash Balances, January 1</i>	<u>1,441,226</u>	<u>4,792</u>	<u>1,446,018</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,844,471</u>	<u>\$4,850</u>	<u>\$1,849,321</u>
<i>Total</i>	<u>\$1,844,471</u>	<u>\$4,850</u>	<u>\$1,849,321</u>

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

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

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 Williamsburg, Clermont County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides various services including police protection, park operations, and water and sewer utilities.

The Village participates in the Ohio Plan Risk Management, Inc. (OPRM) which is a public entity risk pool. Note 8 to the financial statements provide additional information for this entity.

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 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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.

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:

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

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

3. Capital Project Funds

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

Village Capital Projects Fund – This fund accounts for major capital projects undertaken within the Village.

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 Funds:

Water Operating Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Operating Fund - This fund receives charges for services from residents to cover sewer service costs.

Waste Operating Fund – This fund receives charges for services to cover waste collection 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 had the following significant agency fund.

Mayor's Court Fund (agency fund) – This fund accounts for monies that are received and disbursed with regard to Mayor's Court operations.

VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(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 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.

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 2014 and 2013 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 WILLIAMSBURG
CLERMONT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)

1. **Summary of Significant Accounting Policies (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.

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 at December 31 2013 and 2014 was \$2,919,140 and \$3,450,368, respectively.

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Village; or collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$677,584	\$803,044	\$125,460
Special Revenue	130,845	138,761	7,916
Capital Projects	100,000	102,550	2,550
Enterprise	1,806,862	1,280,408	(526,454)
Fiduciary	0	0	0
Total	\$2,715,291	\$2,324,763	(\$390,528)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$752,755	\$665,581	\$87,174
Special Revenue	192,325	156,986	35,339
Capital Projects	110,500	91,083	19,417
Enterprise	2,337,442	879,877	1,457,565
Fiduciary	0	0	0
Total	\$3,393,022	\$1,793,527	\$1,599,495

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$678,560	\$725,068	\$46,508
Special Revenue	104,800	133,171	28,371
Capital Projects	100,000	103,000	3,000
Enterprise	1,629,302	1,389,202	(240,100)
Fiduciary	0	0	0
Total	\$2,512,662	\$2,350,441	(\$162,221)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$766,031	\$705,527	\$60,504
Special Revenue	171,260	144,392	26,868
Capital Projects	125,500	69,348	56,152
Enterprise	2,229,325	985,957	1,243,368
Fiduciary	20	0	20
Total	\$3,292,136	\$1,905,224	\$1,386,912

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

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. 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, 2014 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan	\$194,200	0%
Ohio Water Development Authority Loan	\$156,954	0%
USDA Revenue Bonds	666,000	3%
Total	<u>\$1,017,154</u>	

The Ohio Public Works Commission (OPWC) Loan relates to infrastructure upgrades to the Village's wastewater treatment system. The loan will be repaid in semi-annual payments of \$3,664 January 1 and July 1 of each year for 30 years. The final payment is due January 1, 2041.

The Ohio Water Development Authority (OWDA) Loan relates to infrastructure upgrades to the Village's wastewater treatment system. The loan will be repaid in semi-annual payments of \$4,242 January 1 and July 1 of each year for 20 years. The final payment is due January 1, 2033.

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

6. Debt (Continued)

The USDA Revenue Bonds relate to infrastructure upgrades to the Village's wastewater treatment system. The bonds will be repaid in semi-annual payments of principal and interest on March 1 and September 1 of each year for 40 years. The final payment is due by March 1, 2052.

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

Year ending December 31:	OPWC Loan	OWDA Loan	USDA Revenue Bonds	Total
2015	\$7,328	\$8,484	29,904	\$45,716
2016	7,328	8,484	29,604	\$45,416
2017	7,328	8,484	29,304	\$45,116
2018	7,328	8,484	29,004	\$44,816
2019	7,328	8,484	30,689	\$46,501
2020-2024	36,640	42,420	148,047	\$227,107
2025-2029	36,640	42,420	148,371	\$227,431
2030-2034	36,640	29,694	149,180	\$215,514
2035-2039	36,640	0	148,130	\$184,770
2040-2044	11,000	0	149,009	\$160,009
2045-2049	0	0	148,368	\$148,368
2050-2052	0	0	74,220	\$74,220
Total	<u>\$194,200</u>	<u>\$156,954</u>	<u>\$1,113,830</u>	<u>\$897,618</u>

7. Retirement Systems

The Village's certified 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 2014 and 2013, OP&F participants contributed 10% of their wages January 1, 2013 through June 30, 2013, 10.75% July 1, 2013 through June 30, 2014, and 11.5% July 1, 2014 through December 31, 2014. For 2014 and 2013, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2014 and 2013, 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, 2014.

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

8. Risk Management - Risk Pool Membership

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan

increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 and 783 members as of December 31, 2013 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2013 and 2014:

	<u>2013</u>	<u>2014</u>
Assets	\$13,774,304	\$14,830,185
Liabilities	(7,968,395)	(8,942,504)
Members' Equity	<u>\$5,805,909</u>	<u>\$5,887,681</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

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.



Dave Yost • Auditor of State

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

Village of Williamsburg
Clermont County
107 West Main Street
Williamsburg, Ohio 45176

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 Village of Williamsburg, Clermont County, Ohio (the Village) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated April 7, 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 opinion 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.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

April 6, 2016

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014 AND 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	Material audit adjustments to record OWDA and OPWC activity.	Yes	
2012-002	Appropriations exceeding Estimated Resources	Yes	
2012-003	Failure to obtain amended certificates	Yes	
2012-004	Expenditures exceeding Appropriations	Yes	

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Dave Yost • Auditor of State

VILLAGE OF WILLIAMSBURG

CLERMONT 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
APRIL 21, 2016