



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF DONNELSVILLE
CLARK COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2016 and 2015
Fiscal Years Audited Under GAGAS: 2016 and 2015

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Dave Yost • Auditor of State

Village Council
Village of Donnelsville
P.O. Box 36
Donnelsville, Ohio 45619

We have reviewed the *Independent Auditor's Report* of the Village of Donnelsville, Clark County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2015 through December 31, 2016. 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 Donnelsville is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

November 7, 2017

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**VILLAGE OF DONNELSVILLE
CLARK COUNTY, OHIO**

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Independent Auditor's Report

Village of Donnelsville
Clark County
P.O. Box 36
Donnelsville, Ohio 45619

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balance, receipts, and disbursements by fund type and related notes of the Village of Donnelsville, Clark County, (the Village), as of and for the years ended December 31, 2016 and 2015.

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 opinion.

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, 2016 and 2015, 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 Donnelsville, Clark County, as of December 31, 2016 and 2015, 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 29, 2017, on our consideration of the Village's internal control over financial reporting and on 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 Standard* in considering the Village's internal control over financial reporting and compliance.



BHM CPA Group Inc.
Piketon, Ohio
June 29, 2017

**VILLAGE OF DONNELSVILLE
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$ 35,346	\$ 5,432	\$ 40,778
Intergovernmental	4,607	14,961	19,568
Charges for Services	2,467	-	2,467
Fines, Licenses, and Permits	3,673	-	3,673
Earnings on Investments	274	-	274
	<u>46,367</u>	<u>20,393</u>	<u>66,760</u>
Total Cash Receipts	<u>46,367</u>	<u>20,393</u>	<u>66,760</u>
Cash Disbursements:			
Current:			
Security of Persons & Property	12,410	-	12,410
Public Health Service	-	-	0
Leisure Time Activities	-	-	0
Basic Utility Services	-	5,292	5,292
Transportation	-	3,950	3,950
General Government	15,830	-	15,830
	<u>28,240</u>	<u>9,242</u>	<u>37,482</u>
Total Cash Disbursements	<u>28,240</u>	<u>9,242</u>	<u>37,482</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	18,127	11,151	29,278
<i>Net Change in Fund Cash Balances</i>	18,127	11,151	29,278
Fund Cash Balances, January 1	<u>174,443</u>	<u>67,875</u>	<u>242,318</u>
Restricted	-	79,026	79,026
Unassigned	<u>192,570</u>	<u>-</u>	<u>192,570</u>
Fund Cash Balances, December 31	<u>\$ 192,570</u>	<u>\$ 79,026</u>	<u>\$ 271,596</u>

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

**VILLAGE OF DONNELSVILLE
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH FUND BALANCES - PROPRIETARY AND FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	\$ 130,446
 Total Operating Cash Receipts	 130,446
Operating Cash Disbursements	
Personal services	3,490
Fringe benefits	1,110
Contractual services	69,866
Supplies and Materials	846
 Total Operating Cash Disbursements	 <u>75,312</u>
<i>Operating Income (Loss)</i>	<i>55,134</i>
Non-Operating Receipts (Disbursements)	
Special Assessments	7,483
Capital Outlay	(412)
Debt Service:	
Principal	(85,897)
Interest	(20,812)
 Total Non-Operating Receipts (Disbursements)	 <u>(99,638)</u>
<i>Income (Loss) Before Transfers</i>	<i>(44,504)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(44,504)</i>
Fund Cash Balances, January 1	<u>207,340</u>
Fund Cash Balances, December 31	<u><u>\$ 162,836</u></u>

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

**VILLAGE OF DONNELSVILLE
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$ 41,087	\$ 4,860	\$ 45,947
Intergovernmental	5,714	11,105	16,819
Charges for Services	3,392	-	3,392
Fines, Licenses, and Permits	5,278	-	5,278
Earnings on Investments	273	-	273
Miscellaneous	556	-	556
	<u>56,300</u>	<u>15,965</u>	<u>72,265</u>
Total Cash Receipts			
	<u>56,300</u>	<u>15,965</u>	<u>72,265</u>
Cash Disbursements:			
Current:			
Security of Persons & Property	15,052	-	15,052
Basic Utility Services	-	5,158	5,158
Transportation	-	11,664	11,664
General Government	18,875	-	18,875
	<u>33,927</u>	<u>16,822</u>	<u>50,749</u>
Total Cash Disbursements			
	<u>33,927</u>	<u>16,822</u>	<u>50,749</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	22,373	(857)	21,516
<i>Net Change in Fund Cash Balances</i>	22,373	(857)	21,516
Fund Cash Balances, January 1	<u>152,070</u>	<u>68,732</u>	<u>220,802</u>
Restricted	-	67,875	67,875
Unassigned	<u>174,443</u>	<u>-</u>	<u>174,443</u>
Fund Cash Balances, December 31	<u>\$ 174,443</u>	<u>\$ 67,875</u>	<u>\$ 242,318</u>

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

**VILLAGE OF DONNELSVILLE
CLARK COUNTY**

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

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Agency	
Operating Cash Receipts:			
Charges for Services	\$ 180,469	\$ -	\$ 180,469
Fines, Licenses & Permits	-	2,735	2,735
 Total Operating Cash Receipts	 180,469	 2,735	 183,204
Operating Cash Disbursements			
Personal services	3,540	-	3,540
Fringe benefits	855	-	855
Contractual services	68,667	-	68,667
Supplies and Materials	800	-	800
Other	5,286	2,735	8,021
 Total Operating Cash Disbursements	 79,148	 2,735	 81,883
 <i>Operating Income (Loss)</i>	 101,321	 -	 101,321
Non-Operating Receipts (Disbursements)			
Special Assessments	7,532	-	7,532
Capital Outlay	(1,000)	-	(1,000)
Debt Service:			
Principal	(85,044)	-	(85,044)
Interest	(21,665)	-	(21,665)
 Total Non-Operating Receipts (Disbursements)	 (100,177)	 -	 (100,177)
 <i>Income (Loss) Before Transfers and Advances</i>	 1,144	 -	 1,144
 <i>Net Change in Fund Cash Balances</i>	 1,144	 -	 1,144
 Fund Cash Balances, January 1	 206,196	 -	 206,196
 Fund Cash Balances, December 31	 \$ 207,340	 \$ -	 \$ 207,340

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

**VILLAGE OF DONNELSVILLE
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Donnelsville, Clark County, Ohio, (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides sewer utility and police services. The Village contracts with Bethel Township to receive fire protection services.

The Village management believes these financial statements represent 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits and Investments

During the period, the Village maintained a general checking account, savings account, Mayor's Court account (removed during the period), and a utilities account which were valued at cost.

The Village had no investments

D. Fund Accounting

The Village uses fund accounting to segregate cash that is 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 receipts gasoline tax and motor vehicle tax money to construct, maintain and repair Village streets.

**VILLAGE OF DONNELSVILLE
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Special Revenue Funds (continued):

Highway Fund – This fund receives gasoline tax and motor vehicle tax money for constructing and repairing state highways within the Village.

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:

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

4. Fiduciary Funds (Agency Fund):

Fiduciary funds include an agency fund, which is purely custodial in nature and 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 activity.

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

2. Estimated Resources

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

**VILLAGE OF DONNELSVILLE
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Process (continued)

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2016 and 2015 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.

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.

**VILLAGE OF DONNELSVILLE
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Fund Balance (continued)

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

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

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:

	<u>2016</u>	<u>2015</u>
Demand deposits	<u>\$434,432</u>	<u>\$449,658</u>

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

**VILLAGE OF DONNELSVILLE
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2016 and December 31, 2015, was as follows:

2016 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$44,450	\$46,367	\$1,917
Special Revenue	11,650	20,393	8,743
Enterprise	285,000	137,929	(147,071)
Total	<u>\$341,100</u>	<u>\$204,689</u>	<u>(\$136,411)</u>

2016 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$55,214	\$28,240	\$26,974
Special Revenue	29,400	9,242	20,158
Enterprise	212,026	182,433	29,593
Total	<u>\$296,640</u>	<u>\$219,915</u>	<u>\$76,725</u>

2015 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$64,000	\$56,300	(\$7,700)
Special Revenue	11,650	15,965	4,315
Enterprise	285,000	188,001	(96,999)
Fiduciary	0	2,735	2,735
Total	<u>\$360,650</u>	<u>\$263,001</u>	<u>(\$97,649)</u>

2015 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$59,464	\$33,927	\$25,537
Special Revenue	27,300	16,822	10,478
Enterprise	211,526	186,857	24,669
Fiduciary	0	2,735	(2,735)
Total	<u>\$298,290</u>	<u>\$240,341</u>	<u>\$57,949</u>

**VILLAGE OF DONNELSVILLE
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

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.

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, 2016 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$2,016,704	1.00%
Total	\$2,016,704	

The Ohio Water Development Authority (OWDA) loan relates to the Ohio Environmental Protection Agency mandated sewer project that was completed during 2006. The loan amount for the project is \$2,759,784. The Village will repay the loans in semiannual installments of \$53,354, including interest, over 30 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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

Year Ending December 31:	Principal	Interest	Total Amount
2017	86,758	19,951	106,709
2018	87,628	19,081	106,709
2019	88,505	18,203	106,708
2020	89,394	17,315	106,709
2021	90,290	16,419	106,709
2022	91,195	15,514	106,709
2023-2027	469,872	63,671	533,543
2028-2032	493,902	39,642	533,544
2033-2037	519,160	14,384	533,544
	2,016,704	224,180	2,240,884

**VILLAGE OF DONNELSVILLE
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

6. RETIREMENT SYSTEMS

The Village's part-time law enforcement officers and clerk-treasurer belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. The Ohio Revised Code prescribes the plan's benefits, which include postretirement healthcare and survivor disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries for 2016 and 2015, respectively. The Village has paid all contributions required through December 31, 2016.

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

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Required by *Government Auditing Standards***

Village of Donnelsville
Clark County
P.O. Box 36
Donnelsville, Ohio 45619

To the Village Council:

We have audited, in accordance with the 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 Donnelsville, Clark County, (the Village) as of and for the years ended December 31, 2016 and 2015 and the related notes to the financial statements, and have issued our report thereon dated June 29, 2017, wherein we noted the Village followed financial reporting provisions that 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 testing 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.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
June 29, 2017



Dave Yost • Auditor of State

VILLAGE OF DONNELSVILLE

CLARK 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
NOVEMBER 21, 2017