



Dave Yost • Auditor of State

**Village of Edgerton
Williams County**

Financial Emergency Termination

Local Government Services

Village of Edgerton, Williams County

Fiscal Emergency Termination

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Village of Edgerton Financial Forecast
For the Years Ending December 31, 2017 Through December 31, 2021

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Dave Yost • Auditor of State

CERTIFICATION

Pursuant to a request sent to the Auditor of State by the Financial Planning and Supervision Commission for the Village of Edgerton, the Auditor of State performed an analysis of the Village of Edgerton to determine whether the Commission and its functions under Chapter 118 of the Ohio Revised Code should be terminated. Based on the analysis, the Auditor of State certifies, as required by Section 118.27 of the Revised Code, that the Village of Edgerton no longer meets the fiscal emergency conditions determined pursuant to Section 118.04 of the Revised Code, that the objectives of the financial recovery plan are being met, that an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code has been implemented, and that Management has prepared a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State and an opinion has been rendered by the Auditor of State that the financial forecast is considered to be nonadverse. Therefore, the existence of the Financial Planning and Supervision Commission of the Village of Edgerton and its role in the operation of the Village of Edgerton is terminated as of July 6, 2017.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted to Lance Bowsher, Mayor of the Village of Edgerton; Jacqueline Perry, President Pro-Tempore of Village Council; John Kasich, Governor; Timothy Keen, Director of the Office of Budget and Management; Josh Mandel, Treasurer of State; and Julie A. Beagle, Williams County Auditor.

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

Dave Yost
Auditor of State

July 6, 2017

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Village of Edgerton, Williams County
Report on the Village of Edgerton
Fiscal Emergency Termination

Report on the Termination of the Edgerton Financial Planning and Supervision Commission

At the request of the Village of Edgerton Financial Planning and Supervision Commission (the Commission), Williams County, Ohio, as provided by Section 118.27(B) of the Ohio Revised Code, the Auditor of State has performed an analysis in order to determine whether the Commission and its functions under Chapter 118 should be terminated.

Guidelines for performing such an analysis are set forth in Section 118.27(A) of the Revised Code, which states that:

“A Financial Planning and Supervision Commission with respect to a municipality...and its functions under this chapter shall continue in existence until such time as a determination is made pursuant to division (B) of this section that the municipality...has done all of the following: (1) planned, and is in the process of good faith implementation of, an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code, and it is reasonably expected that such implementation will be completed within two years; (2) corrected and eliminated or has planned and is in the process of good faith implementation of correcting and eliminating all the fiscal emergency conditions determined pursuant to Section 118.04 of the Revised Code, and no new emergency conditions have occurred...; (3) met the objectives of the financial plan described in Section 118.06 of the Revised Code; and (4) the municipal corporation...prepares a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State...”.

Results of our work under Section 118.27(A) of the Revised Code are as follows:

Pages four through five of the report indicate that the Village has effectively implemented a financial accounting and reporting system in accordance with Section 118.10(A) of the Revised Code.

All fiscal emergency conditions have been corrected and eliminated and no new fiscal emergency conditions exist under Section 118.04 of the Revised Code. This analysis can be found beginning on page six.

We have reviewed the objectives of the financial plan and determined that the Village has met the objectives in accordance with Section 118.06 of the Revised Code. Specific conclusions can be found on page ten.

We examined and issued a nonadverse report on the five-year forecast prepared by the Village. The forecast and our report can be found in Appendix A.

Based on this analysis, the Auditor of State’s Office has determined that the Financial Planning and Supervision Commission and its functions may be terminated.

It is understood that this report’s determination is for the use of the Financial Planning and Supervision Commission of the Village of Edgerton, the Auditor of State of Ohio, the Governor of Ohio, the Mayor of the Village of Edgerton, and others as designated by the Auditor of State and is not to be used for any other purpose. Our procedures and findings follow.

Village of Edgerton, Williams County
Report on the Village of Edgerton
Fiscal Emergency Termination

Section 1 - Financial Accounting and Reporting System

When a Village is placed in fiscal emergency, the Auditor of State is required to report on the effectiveness of the Village's financial accounting and reporting system. The Auditor of State, in accordance with Section 118.10(A) of the Revised Code, assessed the methods, accuracy, and legality of the accounts, records, files, and reports of the Village of Edgerton (the Village) and issued a Report on Accounting Methods, dated May 10, 2016. The report identified areas where the Village's financial accounting and reporting system were not in compliance with Section 117.43 of the Revised Code and the requirements of the Auditor of State.

The criteria for termination from fiscal emergency include a determination by the Auditor of State that an effective financial accounting and reporting system has been implemented, or is in the process of implementation, and is expected to be completed within two years. This determination is based on management providing a summary of the actions taken to address the issues identified in the Report of Accounting Methods. We confirmed whether the actions taken by management were sufficient to correct the issues identified in the Report on Accounting Methods. A summary of each area of noncompliance identified in the Report on Accounting Methods and the status of each corrective action is presented below:

Budgetary System

Auditor of State Comment from Report on Accounting Methods

The Village had deficit fund balances contrary to Section 5705.10(I) of the Revised Code. The Village Fiscal Officer, as well as the Village Council, must review the financial and budgetary activity to ensure compliance with Ohio budgetary law. This review should be ongoing and documented.

Implemented

The Village has eliminated all deficit fund balances. Village Council is presented with the monthly statement of cash from revenue and expense, the revenue report, and the expense report each month.

Auditor of State Comment from Report on Accounting Methods

Section 5705.39 of the Revised Code requires that the total appropriations from each fund shall not exceed the total of the estimated resources available for expenditure, as certified by the Budget Commission. The Fiscal Officer should document the comparison of appropriations to estimated resources. This comparison should be presented to the Village Council upon request for supplemental appropriations demonstrating the effect of the supplemental appropriations and compliance with budgetary requirements, if adopted.

Implemented

The Fiscal Officer reviews the comparison of appropriations to estimated resources with Village Council each month and prior to the approval of any increase in appropriations.

Village of Edgerton, Williams County
Report on the Village of Edgerton
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Purchasing Process

Auditor of State Comment from Report on Accounting Methods

The Village has not established, by resolution of Village Council, an amount for blanket purchase orders.

Implemented

Village Council passed an ordinance on June 6, 2016, to establish the amount for blanket purchase orders to be limited to \$50,000.

Inventory of Capital Assets

Auditor of State Comment from Report on Accounting Methods

The Village did not update its capital asset inventory for additions and disposals that occurred in 2014. The Village needs to update its inventory for 2014 and 2015 additions and disposals.

Implemented

The Village updated its inventory of all property, buildings, and equipment as of December 31, 2016.

Recording Official Proceedings

Auditor of State Comment from Report on Accounting Methods

The Village's records commission is required to meet every six months as required by Section 149.39 of the Revised Code. The records commission does not meet every six months.

Implemented

The Village's records commission is currently meeting every six months. Its last meeting was August 1, 2016.

Audit Report

The Village Council and Officials receive a compliance and management letter at the conclusion of each annual audit. The audit for the period ended December 31, 2015, identified two noncompliance issues.

The noncompliance issues in the audit report related to the proper certification of available funds and deficit fund balances. The Village implemented a new software system in 2016 which will help ensure the certification of available funds prior to the purchase of goods and services. The Village has no deficit fund balances. These are not issues that would prevent termination of the Financial Planning and Supervision Commission.

Village of Edgerton, Williams County
Report on the Village of Edgerton
Fiscal Emergency Termination

Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions

Under Section 118.27(A)(2) of the Ohio Revised Code, the Village shall have corrected or eliminated or have planned and be in the process of good faith implementation of actions to correct and eliminate all of the fiscal emergency conditions that existed when declared in fiscal emergency and no new fiscal emergency conditions have occurred in order to be terminated from fiscal emergency. Our analysis of the six fiscal emergency conditions described in Section 118 of the Revised Code is presented below:

Condition One - Default on Any Debt Obligation

Section 118.03(A)(1) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a default on any debt obligation for more than thirty days.

A summary of the Village's outstanding debt as of December 31, 2016, is as follows:

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Year Issued</u>	<u>Issue Amount</u>
<u>Loans Payable</u>			
AMP Ohio JV2 Loan	2.75%	2013	\$790,000
Edgerton Local School District	0.00	2009	250,000
<u>Manuscript Bonds</u>			
Town Hall Improvement Bond	2.65	2012	900,000

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(1) of the Revised Code. The Village had not defaulted on any of its debt obligations for more than thirty days as of December 31, 2016.

Condition Two - Payment of All Payroll

Section 118.03(A)(2) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a failure for lack of cash in the funds to make payment of all payroll to employees of the municipal corporation in the amounts and at the times required by laws, ordinances, resolutions, or agreements, which failure of payment has continued:

- a. For more than thirty days after such time for payment, or
- b. Beyond a period of extension, or beyond the expiration of ninety days from the original time for payment, whichever first occurs, if the time for payment has been extended for more than thirty days by the written consent of at least two-thirds of the employees affected by such failure to pay, acting individually or by their duly authorized representatives.

Village of Edgerton, Williams County
Report on the Village of Edgerton
Fiscal Emergency Termination

We obtained an understanding of the payroll process through discussion with the Fiscal Officer. We obtained payroll reports and pay rate legislation. We reviewed bank statements to determine whether Village employees were paid within the time specified by Sections 118.03(A)(2)(a) and (b) of the Revised Code. We determined that adequate cash was in the bank account and fund balances to cover payroll.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(2) of the Revised Code as of December 31, 2016. All employees have been paid in amounts and at the times required by ordinance.

Condition Three - Increase in Minimum Tax Levy

Section 118.03(A)(3) of the Revised Code defines a fiscal emergency condition as:

An increase, by action of the county budget commission pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the municipal corporation for the current or next fiscal year which results in a reduction in the minimum levies for one or more other subdivisions or taxing districts.

We confirmed with the Williams County Budget Commission whether there had been an increase, pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the Village for 2016 which resulted in a reduction in the minimum levies for one or more other subdivisions or taxing districts. The confirmation received from the Williams County Budget Commission indicated that the Commission had not taken any action for tax year 2016 to increase the inside millage of the Village.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(3) of the Revised Code as of December 31, 2016.

Condition Four - Past Due Accounts Payable from the General Fund and all Funds

Section 118.03(A)(4) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which all accounts that, at the end of its preceding fiscal year, were due and payable from the general fund and that either had been due and payable at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities and including any interest and penalties thereon, less the year end balance in the general fund, exceeded one-sixth of the general fund budget for the year, or in which all accounts that, at the end of its preceding fiscal year, were due and payable from all funds of the municipal corporation and that either had been due and payable for at least thirty days as at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, less the year end balance in the general fund and in respective special funds lawfully available to pay such accounts, exceeded one-sixth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts lawfully are payable.

We prepared a schedule of accounts payable as of December 31, 2016, for all funds that were due and payable for at least thirty days or to which a penalty had been added for failure to pay as of December 31, 2016, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities including any interest and penalties. There were no payables over thirty days past due in any fund.

Village of Edgerton, Williams County
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Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(4) of the Revised Code as of December 31, 2016. There were no payables over thirty days past due.

Condition Five - Deficit Fund Balances

Section 118.03(A)(5) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of its preceding fiscal year, less the total of any year end balance in the general fund and in any special fund that may be transferred as provided in Section 5705.14 of the Revised Code to meet such deficit, exceeded one-sixth of the total of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund.

We computed the adjusted aggregate sum of all deficit funds at December 31, 2016, by subtracting all accounts payable and encumbrances from the year end cash fund balance of each fund. No further calculations were necessary because there were no deficit fund balances.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(5) of the Revised Code. There were no deficit fund balances at December 31, 2016.

Condition Six - Treasury Balances

Section 118.03(A)(6) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of the municipal corporation minus outstanding checks and warrants were less in amount than the aggregate of the positive balances of the general fund and those special funds the purposes of which the unsegregated treasury is held to meet and such deficiency exceeded one-sixth of the total amount received into the unsegregated treasury during the preceding fiscal year.

We verified the Village's reconciled bank balance to its statement of cash position by fund for all funds as of December 31, 2016, which included subtracting reconciling factors to arrive at the treasury balance. We then determined the aggregate sum of all positive fund cash balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficit. No further calculations were necessary because the treasury balance equaled the sum of all cash balances.

Village of Edgerton, Williams County
 Report on the Village of Edgerton
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Schedule I

Treasury Balance
 Ohio Revised Code Section 118.03(A)(6)
 As of December 31, 2016

	Amounts at December 31, 2016
Bank Cash Balance	
The Hicksville Bank (NOW)	\$1,979,822
The Hicksville Bank (Certificates of Deposit)	1,253,039
Manuscript Bonds	820,000
Total Bank Cash Balance	4,052,861
Less Reconciling Factors for	
Cash on Hand	100
Outstanding Checks	(23,983)
Total Treasury Balance	4,028,978
Positive Fund Balances	
General	461,056
Unclaimed Monies	740
Street Maintenance	2,540
State Highway	52,456
Local MVL	27,580
Revolving Loan	72,941
Urban Development	81,659
DUI	4,016
Drug Enforcement	1,492
Fire Levy	4,869
Income Tax Capital Improvement	382,389
Permanent Improvement	30,988
Water	298,709
Sewer	146,621
Electric	2,247,035
Storm Sewer	174,461
Recycling	385
Electric and Water Deposits	33,272
Sewer Deposits	5,769
Total Positive Fund Balances	4,028,978
Treasury Deficiency	\$0

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(6) of the Revised Code as of December 31, 2016. The treasury balance less the positive fund cash balances as of December 31, 2016, did not exceed one-sixth of the treasury receipts for the year.

Village of Edgerton, Williams County
Report on the Village of Edgerton
Fiscal Emergency Termination

Section 3 - Financial Plan Objectives

We obtained a copy of the financial plan of the Village and determined whether the objectives of the plan have been met. Those objectives identified in the financial plan include the following:

- 1) Eliminate the fiscal emergency conditions which were determined by the Auditor of State, pursuant to Section 118.04 of the Revised Code;
- 2) Balance the budgets, avoid future deficits in any fund, and maintain current payments of all accounts;
- 3) Develop an effective financial accounting and reporting system; and
- 4) Prepare a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State.

All objectives of the financial plan have been met.

Section 4 - Financial Forecast

Financial forecasting is an important management tool to assist the Village in making sound financial decisions for avoiding a fiscal crisis in the future. A five-year forecast is required under Section 118.27(A)(3)(d) of the Revised Code. After examining the financial forecast, the Auditor of State rendered a nonadverse report. The financial forecast is contained in Appendix A.

DISCLAIMER

Because the preceding procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we made an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported herein.

APPENDIX A

**Village of Edgerton
Williams County**

Financial Forecast

For the Years Ending December 31, 2017 Through December 31, 2021

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Village of Edgerton, Williams County

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Dave Yost • Auditor of State

Village Council
Village of Edgerton
324 North Michigan Avenue
P. O. Box 609
Edgerton, Ohio 43517

Based upon the requirement set forth in section 118.27(A)(3)(d) of the Ohio Revised Code, the Local Government Services Section of the Auditor of State's Office has examined the accompanying forecasted statement of revenues, expenditures, and changes in fund balance of the various funds of the Village of Edgerton, for the five years ending December 31, 2021. This statement is presented on the budget basis of accounting used by the Village of Edgerton rather than on generally accepted accounting principles. The Village of Edgerton's management is responsible for the forecast. Our responsibility is to determine whether the Village has met the criteria that allows for the fiscal emergency to be terminated.

Based on our examination of the accompanying forecast, there is nothing in the forecast nor has anything come to our attention that indicates the fiscal emergency should not be terminated. However, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results of operations during the forecast period will vary from the forecast and the variations may be material.

This report is intended solely for the use of the Village of Edgerton and the Financial Planning and Supervision Commission of Edgerton and should not be used for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Dave Yost
Auditor of State

May 10, 2017

Village of Edgerton, Williams County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2014, Through 2016, Actual
and Ending December 31, 2017, Through 2021, Forecasted

General Fund

	2014 Actual	2015 Actual	2016 Actual
Revenues			
Property Taxes	\$57,430	\$55,350	\$60,750
Income Taxes	569,290	994,270	1,125,780
Local Taxes	116,460	69,280	115,230
Intergovernmental	47,720	59,550	66,950
Charges for Services	30	30	20
Fines, Forfeitures, and Licenses	28,440	23,000	23,430
Interest	1,680	1,020	4,180
Other Revenues	62,230	19,720	36,280
Total Revenues	883,280	1,222,220	1,432,620
Expenditures			
Security of Persons and Property			
Personal Services	251,560	248,990	287,090
Contractual Services	28,670	30,680	21,540
Supplies and Materials	27,710	19,840	15,240
Total Security of Persons and Property	307,940	299,510	323,870
Public Health and Welfare			
Personal Services	2,470	0	0
Contractual Services	0	1,290	0
Other	0	1,870	0
Total Public Health and Welfare	2,470	3,160	0
Leisure Time Activities			
Personal Services	7,940	5,530	8,720
Contractual Services	4,920	4,540	4,030
Supplies and Materials	5,860	3,800	4,510
Capital Outlay	17,200	9,720	6,100
Total Leisure Time Activities	35,920	23,590	23,360
Community Environment			
Zoning			
Personal Services	7,630	4,520	8,060
General Government			
Mayor			
Personal Services	5,590	1,780	1,460
Travel and Transportation	240	0	0
Supplies and Materials	430	0	200
Total Mayor	6,260	1,780	1,660

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$57,840	\$57,840	\$57,840	\$57,840	\$57,840
1,133,000	1,155,660	1,178,770	1,202,350	1,226,400
97,000	97,000	97,000	97,000	97,000
76,000	66,000	66,000	66,000	66,000
20	20	20	20	20
23,000	23,000	23,000	23,000	23,000
3,660	3,970	4,010	4,060	4,150
15,000	15,000	15,000	15,000	15,000
1,405,520	1,418,490	1,441,640	1,465,270	1,489,410
276,580	286,020	295,800	305,930	316,430
26,620	27,470	28,340	29,250	30,200
16,720	17,460	18,230	19,040	19,890
319,920	330,950	342,370	354,220	366,520
0	0	0	0	0
1,500	1,500	1,500	1,500	1,500
1,500	1,500	1,500	1,500	1,500
3,000	3,000	3,000	3,000	3,000
9,380	9,700	10,030	10,380	10,730
5,650	5,800	5,940	6,100	6,250
4,860	5,100	5,360	5,630	5,910
31,000	21,000	7,500	7,500	7,500
50,890	41,600	28,830	29,610	30,390
9,100	9,410	9,730	10,060	10,410
1,660	1,660	1,670	1,680	1,690
200	210	210	220	230
250	260	280	290	300
2,110	2,130	2,160	2,190	2,220

(continued)

Village of Edgerton, Williams County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2014, Through 2016, Actual
and Ending December 31, 2017, Through 2021, Forecasted
(continued)

General Fund

	2014 Actual	2015 Actual	2016 Actual
Expenditures (continued)			
General Government (continued)			
Council			
Personal Services	\$6,180	\$5,310	\$5,230
Travel and Transportation	0	0	0
Contractual Services	0	0	0
Total Council	<u>6,180</u>	<u>5,310</u>	<u>5,230</u>
Solicitor			
Personal Services	6,540	13,900	6,530
Contractual Services	890	1,470	1,120
Total Solicitor	<u>7,430</u>	<u>15,370</u>	<u>7,650</u>
Fiscal Officer			
Personal Services	42,500	32,130	38,180
Travel and Transportation	1,370	1,890	1,050
Contractual Services	0	730	2,170
Supplies and Materials	2,580	1,600	1,890
Total Fiscal Officer	<u>46,450</u>	<u>36,350</u>	<u>43,290</u>
Land and Buildings			
Personal Services	27,640	24,250	22,520
Contractual Services	29,200	22,670	23,740
Supplies and Materials	11,700	14,910	10,910
Capital Outlay	3,720	7,100	3,850
Other	4,520	3,230	4,000
Total Land and Buildings	<u>76,780</u>	<u>72,160</u>	<u>65,020</u>
Income Tax			
Personal Services	39,410	37,970	40,430
Travel and Transportation	0	0	0
Contractual Services	9,370	13,910	18,420
Supplies and Materials	1,070	1,050	410
Other	8,480	6,950	10,540
Total Income Tax	<u>58,330</u>	<u>59,880</u>	<u>69,800</u>

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$5,260	\$5,260	\$5,270	\$5,270	\$5,280
200	210	210	220	230
500	520	530	550	560
5,960	5,990	6,010	6,040	6,070
6,630	6,830	7,040	7,250	7,470
1,200	1,260	1,320	1,390	1,460
7,830	8,090	8,360	8,640	8,930
39,370	40,760	42,190	43,690	45,240
1,200	1,240	1,270	1,310	1,350
2,320	2,400	2,490	2,580	2,680
2,200	2,310	2,430	2,550	2,670
45,090	46,710	48,380	50,130	51,940
25,600	26,430	27,290	28,180	29,100
30,200	31,380	32,610	33,920	35,290
10,500	11,020	11,580	12,150	12,760
107,000	120,000	150,000	5,000	5,000
4,000	4,120	4,240	4,370	4,500
177,300	192,950	225,720	83,620	86,650
29,170	30,200	31,270	32,380	33,530
500	510	530	540	560
34,200	35,330	36,500	37,710	38,960
350	370	390	410	430
10,800	11,340	11,910	12,500	13,130
75,020	77,750	80,600	83,540	86,610

(continued)

Village of Edgerton, Williams County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2014, Through 2016, Actual
and Ending December 31, 2017, Through 2021, Forecasted
(continued)

General Fund

	2014 Actual	2015 Actual	2016 Actual
Expenditures (continued)			
General Government (continued)			
Other General Government			
Contractual Services	\$14,780	\$12,140	\$12,670
Supplies and Materials	0	0	2,500
Total Other General Government	<u>14,780</u>	<u>12,140</u>	<u>15,170</u>
Total General Government	<u>216,210</u>	<u>202,990</u>	<u>207,820</u>
Total Expenditures	<u>570,170</u>	<u>533,770</u>	<u>563,110</u>
Excess of Revenues Over Expenditures	<u>313,110</u>	<u>688,450</u>	<u>869,510</u>
Other Financing Sources (Uses)			
Transfers In	0	0	0
Transfers Out	<u>(317,350)</u>	<u>(336,250)</u>	<u>(500,020)</u>
Total Other Financing Sources (Uses)	<u>(317,350)</u>	<u>(336,250)</u>	<u>(500,020)</u>
Changes in Fund Balance	(4,240)	352,200	369,490
Fund Balance (Deficit) Beginning of Year	<u>(255,400)</u>	<u>(259,640)</u>	<u>92,560</u>
Fund Balance (Deficit) End of Year	<u><u>(\$259,640)</u></u>	<u><u>\$92,560</u></u>	<u><u>\$462,050</u></u>

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$14,710	\$15,610	\$16,590	\$17,630	\$18,760
2,800	2,890	2,970	3,060	3,150
17,510	18,500	19,560	20,690	21,910
330,820	352,120	390,790	254,850	264,330
713,730	737,080	774,720	651,740	674,650
691,790	681,410	666,920	813,530	814,760
390	0	0	0	0
(404,050)	(372,910)	(400,470)	(532,440)	(562,040)
(403,660)	(372,910)	(400,470)	(532,440)	(562,040)
288,130	308,500	266,450	281,090	252,720
462,050	750,180	1,058,680	1,325,130	1,606,220
<u>\$750,180</u>	<u>\$1,058,680</u>	<u>\$1,325,130</u>	<u>\$1,606,220</u>	<u>\$1,858,940</u>

Village of Edgerton, Williams County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2014, Through 2016, Actual
and Ending December 31, 2017, Through 2021, Forecasted

Street Construction, Maintenance, and Repair Fund

	2014 Actual	2015 Actual	2016 Actual
Revenues			
Intergovernmental	\$87,570	\$87,060	\$68,000
Interest	50	0	10
Other Revenues	0	0	1,650
Total Revenues	87,620	87,060	69,660
Expenditures			
Street Maintenance			
Personal Services	135,450	106,790	131,690
Contractual Services	22,710	14,210	16,550
Supplies and Materials	29,580	30,730	28,920
Capital Outlay	1,530	960	15,230
Total Expenditures	189,270	152,690	192,390
Excess of Revenues Under Expenditures	(101,650)	(65,630)	(122,730)
Other Financing Sources (Uses)			
Transfers In	113,800	65,630	125,270
Transfers Out	(12,150)	0	0
Total Other Financing Sources (Uses)	101,650	65,630	125,270
Changes in Fund Balance	0	0	2,540
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$2,540

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$68,000	\$68,000	\$68,000	\$68,000	\$68,000
0	0	0	0	0
0	0	0	0	0
68,000	68,000	68,000	68,000	68,000
129,840	134,320	138,960	143,770	148,760
15,230	16,000	16,830	17,710	18,650
26,840	27,810	29,170	30,590	32,080
40,000	0	0	50,000	71,000
211,910	178,130	184,960	242,070	270,490
(143,910)	(110,130)	(116,960)	(174,070)	(202,490)
141,370	110,130	116,960	174,070	202,490
0	0	0	0	0
141,370	110,130	116,960	174,070	202,490
(2,540)	0	0	0	0
2,540	0	0	0	0
\$0	\$0	\$0	\$0	\$0

Village of Edgerton, Williams County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2014, Through 2016, Actual
and Ending December 31, 2017, Through 2021, Forecasted

State Highway Fund

	<u>2014</u> Actual	<u>2015</u> Actual	<u>2016</u> Actual
Revenues			
Intergovernmental	\$7,980	\$7,060	\$5,510
Interest	<u>20</u>	<u>180</u>	<u>540</u>
Total Revenues	<u>8,000</u>	<u>7,240</u>	<u>6,050</u>
Expenditures			
Street Maintenance			
Contractual Services	0	0	430
Supplies and Materials	<u>1,430</u>	<u>1,100</u>	<u>1,010</u>
Total Expenditures	<u>1,430</u>	<u>1,100</u>	<u>1,440</u>
Changes in Fund Balance	6,570	6,140	4,610
Fund Balance Beginning of Year	<u>35,130</u>	<u>41,700</u>	<u>47,840</u>
Fund Balance End of Year	<u><u>\$41,700</u></u>	<u><u>\$47,840</u></u>	<u><u>\$52,450</u></u>

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$5,500	\$5,500	\$5,500	\$5,500	\$5,500
470	510	520	530	540
5,970	6,010	6,020	6,030	6,040
550	570	580	600	620
1,480	1,550	1,630	1,710	1,790
2,030	2,120	2,210	2,310	2,410
3,940	3,890	3,810	3,720	3,630
52,450	56,390	60,280	64,090	67,810
<u>\$56,390</u>	<u>\$60,280</u>	<u>\$64,090</u>	<u>\$67,810</u>	<u>\$71,440</u>

Village of Edgerton, Williams County
Statement of Revenues, Expenses, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2014, Through 2016, Actual
and Ending December 31, 2017, Through 2021, Forecasted

Storm Water Fund

	2014 Actual	2015 Actual	2016 Actual
Revenues			
Charges for Services	\$51,190	\$55,700	\$96,000
Other Revenues	0	60	50
Total Revenues	<u>51,190</u>	<u>55,760</u>	<u>96,050</u>
Expenses			
Personal Services	540	0	0
Supplies and Materials	3,410	4,500	4,900
Capital Outlay	11,370	12,260	2,700
Total Expenses	<u>15,320</u>	<u>16,760</u>	<u>7,600</u>
Changes in Fund Balance	35,870	39,000	88,450
Fund Balance Beginning of Year	<u>11,140</u>	<u>47,010</u>	<u>86,010</u>
Fund Balance End of Year	<u><u>\$47,010</u></u>	<u><u>\$86,010</u></u>	<u><u>\$174,460</u></u>

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$96,000	\$96,000	\$96,000	\$96,000	\$96,000
0	0	0	0	0
96,000	96,000	96,000	96,000	96,000
0	0	0	0	0
6,100	6,410	6,730	7,060	7,420
44,000	10,000	10,000	10,000	10,000
50,100	16,410	16,730	17,060	17,420
45,900	79,590	79,270	78,940	78,580
174,460	220,360	299,950	379,220	458,160
<u>\$220,360</u>	<u>\$299,950</u>	<u>\$379,220</u>	<u>\$458,160</u>	<u>\$536,740</u>

Village of Edgerton, Williams County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, Through 2021

Note 1 - The Village

The Village of Edgerton is located in northwestern Ohio in Williams County. The Village is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Operating as a statutory village, Edgerton must comply with all State laws regulating village government. The decision making process is directed by an elected Village Council and Mayor.

The Village Council is the legislative authority of the Village and consists of six members who are elected at large and serve terms of four years. The Village Council elects a President Pro Tempore to preside over Village Council meetings in the Mayor's absence. The Village Council has the authority to prescribe, by ordinance, the manner in which any power of the Village shall be exercised.

The Mayor is the chief executive officer of the Village and serves a term of four years. The Mayor supervises the administration of the Village and is the President of Village Council. The Mayor makes recommendations to Village Council and has voting rights only in the case of a tie. In accordance with sections 735.271 - 735.273 of the Revised Code, the Village has established the position of a Village Administrator who is appointed by the Mayor subject to Village Council's approval. The Village Administrator is responsible for administering most operations of the Village including public utilities, streets, and other duties as set forth by ordinance of Village Council.

The Village of Edgerton provides general government services including street and state highway maintenance and repair, police protection, parks, and water, sewer, storm water, and electric utilities. The operation of each of these activities is directly controlled by the Village Council through the budgetary process. The administration includes the Mayor, Village Administrator, and the Fiscal Officer.

On December 17, 2013, the Auditor of State's office declared the Village of Edgerton to be in a state of fiscal emergency in accordance with Section 118.03 of the Ohio Revised Code. The declaration resulted in the establishment of a Financial Planning and Supervision Commission. The Commission is comprised of the Mayor of the Village, Council President, three individuals whose residency or principal place of business is within the Village, and a designee from both the State Treasurer's Office and the Office of Budget and Management. The Village has 120 days after the first meeting of the Commission to approve a financial recovery plan. Once the plan has been adopted, the Village's discretion is limited in that all financial activity of the Village must be in accordance with the plan.

Note 2 - Nature of Presentation

This financial forecast presents, to the best of the Village's knowledge and belief, the expected revenues, expenditures, and changes in fund balances for the forecast period. Accordingly, the forecast reflects the Village's judgment, as of December 31, 2016, the date of the forecast, the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The forecast presents the funds that are significant to the operations of the Village. For the Village of Edgerton, this consists of the General Fund; Street Construction, Maintenance, and Repair Fund; State Highway Fund; and Storm Water Fund.

Village of Edgerton, Williams County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 3 - Summary of Significant Accounting Policies

A. Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts, disbursements, and encumbrances, which is consistent with the budget basis of accounting (non-GAAP) used to prepare the historical financial statements. Under this basis of accounting, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred. However, by virtue of Ohio law, the Village is required to maintain the encumbrance method of accounting. This method requires purchase orders, contracts, and other commitments for the expenditure of monies to be recorded as the equivalent of an expenditure in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

B. Fund Accounting

The Village maintains its accounting records in accordance with the principles of “fund” accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the segregation of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

General Fund - The General Fund is the operating fund of the Village and is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is disbursed or transferred in accordance with Ohio law.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to disbursement for specified purposes, other than for debt service or capital projects.

Capital Projects Funds - Capital projects funds are used to account for and report resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets (other than those financed by the enterprise funds).

Proprietary Funds

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

Village of Edgerton, Williams County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 3 - Summary of Significant Accounting Policies (continued)

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of the budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Estimated Resources - On or about September 1, the County Budget Commission issues an official certificate of estimated resources to the Village which states the projected receipts of each fund. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. Prior to December 31, the Village must revise its budget so that total contemplated expenditures from any funds during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations - A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year if the annual appropriations for the full year are not ready for approval by Village Council. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire year. By March 31, an annual appropriation ordinance must be legally enacted by the Village Council. The appropriation measure may be amended or supplemented during the year as new information becomes available.

Encumbrances - The Village uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation.

D. Property, Plant and Equipment

Capital assets acquired or constructed for general governmental services are recorded as expenditures. Depreciation is not recorded for these capital assets as the purpose of the financial statements for the governmental services is to report the expenditure of resources, not costs.

Note 4 - General Revenue Assumptions - All Funds

A. Property Taxes

Property tax revenues consist of real property and public utility real and personal property. The Village may request advances from the Williams County Auditor as the taxes are collected. When final settlements are made, any amounts remaining to be distributed to the Village are paid. Deductions for auditor and treasurer fees, advertising delinquent taxes, election expenses, and other fees are made at these settlement times. The amounts shown in the revenue section of the forecast represent gross property tax revenues.

Village of Edgerton, Williams County
 Summary of Significant Accounting Policies and Forecast Assumptions
 For the Years Ending December 31, 2017, through 2021

Note 4 - General Revenue Assumptions - All Funds (continued)

State law allows for certain reductions in the form of rollbacks and homestead exemptions for residential real estate taxes. The State reimburses the Village for all revenue lost due to these exemptions. The amount of the reimbursement is presented in the account “intergovernmental revenue”.

All property tax revenues are based on property valuations and levy rates. The County is required to reappraise property every six years and update the valuations every three years between the reappraisals. The last reappraisal was completed in 2012 for taxes collected in 2013, and the triennial update took place in 2015 for taxes collected in 2016 with the next reappraisal scheduled for 2018.

The Village’s assessed values upon which property tax receipts were based for the last four years are as follows:

Class of Property	Collection Year			
	2013	2014	2015	2016
Real Property				
Residential and Agriculture	\$17,343,920	\$17,070,230	\$16,965,280	\$16,959,150
Commercial and Industrial	7,373,260	6,764,860	6,469,340	6,385,530
Public Utility Property				
Personal	157,140	155,620	150,610	245,030
Total Assessed Value	<u>\$24,874,320</u>	<u>\$23,990,710</u>	<u>\$23,585,230</u>	<u>\$23,589,710</u>

Property tax revenues are generated from the inside millage and receipted into the General Fund and from voted levies for fire protection services receipted into the Fire Levy Fund.

The levies being collected by fund, the year approved, and the full tax rate are as follows:

Levy Type	Fund	Original Year Approved	Latest Year Renewed	First Year of Collection	Last Year of Collection	Total Rate (Per \$1,000 of Assessed Valuation)
Inside Millage	General	n/a	n/a	n/a	n/a	\$2.60
Fire	Fire Levy	2006	2015	2016	2020	2.00
Total						<u>\$4.60</u>

For the forecast period, the fire levy is expected to be renewed when it expires.

Public utility real taxes are collected and settled by the County with real estate taxes and are recorded as general property taxes. Beginning in 2001, the Ohio General Assembly reduced the assessment rate for certain tangible personal property of electric and gas utilities from 88 percent to 25 percent. Starting in tax year 2005, the assessment rate for personal property owned by telephone utilities prior to 1995 was being phased down from 88 percent to 25 percent (in tax year 2007) over a three-year period. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out of the tangible personal property tax on local and inter-exchange telephone companies.

Real Property - No change in real property taxes is expected over the five-year forecasted period as there is no growth anticipated in the Village. The projected revenue is based on the average of the prior three years actual collections. The fire levy in the Fire Levy Fund will expire as of December 31, 2020, and is anticipated to be renewed.

Village of Edgerton, Williams County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 4 - General Revenue Assumptions - All Funds (continued)

B. Municipal Income Taxes

The Village levies a municipal income tax of 1.75 percent on all income earned within the Village as well as on income of residents earned outside the Village. The Village allows credit for income taxes paid to another municipality. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a final return annually.

The voters of the Village approved an increase in the tax rate from 1 percent to 1.75 percent on November 4, 2014. The collection of the additional tax began on January 1, 2015.

All income tax revenue is credited to the General Fund and used to pay the cost of administering the tax and for general governmental operations. The increase in the tax rate in January 2015 resulted in a significant increase in income tax revenue from 2014 to 2015. Revenues in 2016 included the collection of 2015 taxes not filed until 2016. Income tax revenues are expected to increase approximately 2 percent each year based on an increase in business and individual earnings. Due to geographic limitations, no growth is expected in the Village.

In accordance with Village Council ordinance, 20 percent of income tax revenues are transferred annually to the Income Tax Capital Fund.

C. Intergovernmental Revenues

Intergovernmental revenues include local government monies and property tax allocations for rollback and homestead. The local government funds are distributed monthly by the State to the Village and by the County Auditor to the Village. The property tax allocations for rollback and homestead are received from the State and are based on information provided by the County Auditor.

State law grants tax relief in the form of a 10 percent reduction in residential real property tax bills. In addition, a 2.5 percent rollback is granted on residential property taxes. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. The State reimburses the Village for the loss of real property taxes caused by the homestead and rollback tax relief programs. Homestead and rollback receipts have been forecasted to remain flat to remain consistent with the forecasted property tax revenues. There is also no change expected in the amount of local government monies received from the State.

Note 5 - Specific Fund Revenue Assumptions

A. General Fund

Property and Other Local Taxes - Real property taxes are forecasted conservatively to reflect the average amount of revenue received over the past three years. The property values are expected to remain largely the same through 2021.

Municipal Income Taxes - Income tax revenue has increased substantially over the last three years as a result of increasing the tax rate from 1 percent to 1.75 percent. Income tax revenues are expected to increase approximately 2 percent each year based on an increase in business and individual earnings.

Village of Edgerton, Williams County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 5 - Specific Fund Revenue Assumptions (continued)

Local Taxes - Local taxes consist of kilowatt-hour tax. The amount of revenue fluctuates from year to year based on consumption. The amount forecasted is a conservative estimate due to the variables which influence consumption.

Intergovernmental - Intergovernmental revenues related to homestead and rollback are expected to remain largely the same through 2021, consistent with the property taxes revenue projection. The amount projected for local government assistance from the State is expected to remain similar to the amount received in 2016. For 2017, the Village expects to receive a \$10,000 grant for recreational equipment.

Fines, Forfeitures, and Licenses - Fines, forfeitures, and licenses receipts represent fines and forfeitures, cable franchise fees, and other miscellaneous fees and permits. Amounts collected for the various fines and permits have been forecasted to remain consistent throughout the forecast period.

Interest - Interest receipts are modest due to low interest rates; however, will increase throughout the forecast period due to an increase in amounts available to invest.

Other Revenues - Other revenues include rent, deposits, contributions and donations, and various refunds and reimbursements which are subject to significant fluctuation from year to year. A conservative estimate was used throughout the forecast period.

B. Street Construction, Maintenance, and Repair Fund

Intergovernmental - Intergovernmental revenue consists of motor vehicle license tax and gasoline tax distributions. Forecasted receipts are anticipated to remain consistent with amounts received during 2016.

C. State Highway Fund

Intergovernmental - Intergovernmental revenue consists of motor vehicle license tax and gasoline tax distributions. Forecasted receipts are anticipated to remain consistent with amounts received during 2016.

D. Storm Water Fund

Charges for Services - Charges for services revenue is collected from water utility customers at a base rate of \$2, plus 10 percent of billed sewer usage. Forecasted receipts are anticipated to remain consistent with amounts received during 2016.

Village of Edgerton, Williams County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 6 - General Expenditure Assumptions - All Funds

A. Personal Services

Personal services include the salaries paid to the employees of the Village and the elected Mayor and Village Council. The Village's employees, other than elected officials, are paid on a bi-weekly basis. The Mayor and Village Council are paid monthly. Personal services also include all salary related costs such as pension contributions, Medicare, workers' compensation, and other employee leave benefits including vacation and sick leave.

The Village Council consists of six members with an annual salary of \$3,000. Village Council is paid from the General Fund and the Electric, Water, and Sewer enterprise funds.

The Mayor's annual salary is \$5,000 and is paid from the General Fund and the Electric, Water, and Sewer enterprise funds.

A three percent increase in salaries is expected throughout the forecast period for all employees.

Benefits include employer contributions to the State pension system, workers' compensation, social security, and Medicare. The Village provides medical, dental, vision, and life insurance to most employees through the North Buckeye Health Plan.

Village employees participate in Ohio Public Employees Retirement System (OPERS) or Ohio Police and Fire Pension Fund (OPF). OPERS and OPF provide basic retirement, disability, and death benefits to plan members and beneficiaries. OPERS benefits are established by Chapter 145 of the Ohio Revised Code. Employees are required to contribute 10 percent of their annual salary and the Village is required to contribute 14 percent of their annual salary. OPF benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. Plan members are required to contribute 11.5 percent of their annual covered salary. Employers are required to contribute 19.5 percent for police officers and 24 percent for firefighters. The Mayor and several council members pay into Social Security.

All elected officials and Village employees are required to pay into Medicare. The Medicare contribution is 1.45 percent of their annual salary.

Workers' compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. A slight increase is expected annually.

Full-time employees are entitled to vacation leave of two to five weeks per year depending on length of service. Full time employees earn sick leave at a rate of 4.6 hours per 80 hours in active work status with a maximum of 120 hours per year.

Full-time employees are eligible to participate in the Village's medical, dental, vision, and life insurance plans. The Village pays 100 percent of the insurance premiums. The Village expects insurance costs to increase an average of 5 percent per year throughout the forecast period.

Village of Edgerton, Williams County
 Summary of Significant Accounting Policies and Forecast Assumptions
 For the Years Ending December 31, 2017, through 2021

Note 6 - General Expenditure Assumptions - All Funds (continued)

B. Contractual Services

Contractual services include property and liability insurance, utility charges (telephone, internet, and natural gas), postage, printing, advertising, professional dues, legal fees, auditor and treasurer fees, and accounting and auditing services.

For 2017 through 2021, property and liability insurance is anticipated to increase approximately 8 percent annually based upon historical trend.

Utility costs for 2017 are based on a historical average with an allowance for modest increases annually throughout the forecasted period.

Expenditures for contractual services in the income tax department are significantly higher than the historical amounts for the forecasted period. The Village has contracted with the Regional Income Tax Agency (RITA) for tax collection services beginning in 2017. Income tax collection and administration fees with RITA are based on a percentage of income tax collections.

C. Supplies and Materials

Supplies and materials expenditures include office supplies, operating supplies (salt and gasoline), and repair and maintenance costs. Supplies and materials are anticipated to increase approximately 5 percent per year.

D. Capital Outlay

For the General Fund, capital outlay includes expenditures for maintenance and repairs of the Village's facilities. The forecasted capital outlay for the General Fund is as follows.

Department/Description	Year				
	2017	2018	2019	2020	2021
Leisure Time Activities					
Resurface Tennis Courts	\$0	\$21,000	\$0	\$0	\$0
Scoreboards and Netting	10,000	0	0	0	0
Mowers	21,000	0	7,500	7,500	7,500
Total Leisure Time Activities	31,000	21,000	7,500	7,500	7,500
Land and Buildings					
Gym Repairs	3,000	0	0	0	5,000
Second Floor Improvements	0	0	0	5,000	0
Roof Repair/Replacement	0	20,000	0	0	0
Elevator	0	100,000	0	0	0
Gym Supplies and Upgrades	3,000	0	0	0	0
Street Repaving - Depot Street	50,000	0	0	0	0
Business Alley East	51,000	0	0	0	0
Police Garage	0	0	150,000	0	0
Total Land and Buildings	107,000	120,000	150,000	5,000	5,000
Total General Fund	\$138,000	\$141,000	\$157,500	\$12,500	\$12,500

Village of Edgerton, Williams County
 Summary of Significant Accounting Policies and Forecast Assumptions
 For the Years Ending December 31, 2017, through 2021

Note 6 - General Expenditure Assumptions - All Funds (continued)

The Street Construction, Maintenance, and Repair Fund anticipates purchasing vehicles in 2017, 2020, and 2021, in the amount of \$40,000, \$50,000, and \$71,000, respectively.

The Storm Water Fund has forecasted \$34,000 in 2017 for the local portion of an Ohio Public Works Commission project and \$10,000 in each year of the forecast period for catch basin repair and replacement.

Note 7 - Transfers

The Village expects to transfer the following amounts from the General Fund during the forecast period:

Transfer to:	Year				
	2017	2018	2019	2020	2021
Street Fund	\$141,370	\$110,130	\$116,960	\$174,070	\$202,490
Fire Levy Fund	32,680	28,180	44,220	114,290	110,590
Income Tax Capital Fund	230,000	234,600	239,290	244,080	248,960
Total	<u>\$404,050</u>	<u>\$372,910</u>	<u>\$400,470</u>	<u>\$532,440</u>	<u>\$562,040</u>

The transfers to both the Street and Fire Levy funds are to subsidize the operations of the funds. Transfers to the Income Tax Capital Fund are to finance various capital acquisitions and improvements.

Note 8 - Other Funds

When the Village was placed in fiscal emergency, the Infrastructure and Garbage funds had deficit fund balances. The General Fund made transfers to those funds to eliminate the deficits and the funds were closed.

The Village has several other funds that account for resources that are restricted for specific purposes. These funds are anticipated to have sufficient resources to meet their obligations during the forecasted period.

Note 9 - Pending Litigation

The Village currently has no pending litigation.



Dave Yost • Auditor of State

VILLAGE OF EDGERTON

WILLIAMS 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
JULY 6, 2017