



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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VILLAGE OF ENON  
CLARK COUNTY

REGULAR AUDIT

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





# Dave Yost • Auditor of State

Village Council  
Village of Enon  
363 East Main Street  
Enon, Ohio 45323

We have reviewed the *Independent Auditor's Report* of the Village of Enon, 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 Enon is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

May 31, 2017

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**VILLAGE OF ENON  
CLARK COUNTY, OHIO**

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For the Fiscal Years Ended December 31, 2016 and 2015*

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### **Independent Auditor's Report**

Village of Enon  
Clark County  
363 East Main St  
Enon, Ohio 45323

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 Enon, 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 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 Enon, 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 March 28, 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*

BHM CPA Group, Inc.  
Columbus, Ohio  
March 28, 2017

**VILLAGE OF ENON  
CLARK COUNTY, OHIO**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

|   | <b>Governmental Fund Types</b> |                           | <b>Totals</b>            |
|---|--------------------------------|---------------------------|--------------------------|
|   | <b>General</b>                 | <b>Special Revenue</b>    | <b>(Memorandum Only)</b> |
| <b>Cash Receipts:</b>                   |                                |                           |                          |
| Property and Local Taxes                | \$ 138,330                     | \$ 192,125                | \$ 330,455               |
| Intergovernmental                       | 39,539                         | 183,732                   | 223,271                  |
| Charges for Services                    | 1,850                          | -                         | 1,850                    |
| Fines, Licenses, and Permits            | 94,169                         | 3,866                     | 98,035                   |
| Earnings on Investments                 | 2,730                          | -                         | 2,730                    |
| Miscellaneous                           | 3,694                          | 10,574                    | 14,268                   |
| Total Cash Receipts                     | <u>280,312</u>                 | <u>390,297</u>            | <u>670,609</u>           |
| <b>Cash Disbursements:</b>              |                                |                           |                          |
| Current:                                |                                |                           |                          |
| Security of Persons & Property          | 152,387                        | 247,427                   | 399,814                  |
| Leisure Time Activities                 | 4,429                          | -                         | 4,429                    |
| Transportation                          | -                              | 100,313                   | 100,313                  |
| General Government                      | 159,929                        | 38                        | 159,967                  |
| Capital Outlay                          | 9,549                          | 41,201                    | 50,750                   |
| Debt Service:                           |                                |                           |                          |
| Redemption of Principal                 | 16,413                         | -                         | 16,413                   |
| Interest and Fiscal Charges             | 1,416                          | -                         | 1,416                    |
| Total Cash Disbursements                | <u>344,123</u>                 | <u>388,979</u>            | <u>733,102</u>           |
| <i>Net Change in Fund Cash Balances</i> | (63,811)                       | 1,318                     | (62,493)                 |
| Fund Cash Balances, January 1           | <u>193,920</u>                 | <u>(75,090)</u>           | <u>118,830</u>           |
| Nonspendable                            | 2,605                          | -                         | 2,605                    |
| Restricted                              | -                              | 61,228                    | 61,228                   |
| Assigned                                | 75,448                         | -                         | 75,448                   |
| Unassigned                              | 52,056                         | (135,000)                 | (82,944)                 |
| <b>Fund Cash Balances, December 31</b>  | <b><u>\$ 130,109</u></b>       | <b><u>\$ (73,772)</u></b> | <b><u>\$ 56,337</u></b>  |

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

**VILLAGE OF ENON  
CLARK COUNTY, OHIO**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

|   | <b>Proprietary<br/>Fund Type</b> | <b>Fiduciary<br/>Fund Type</b> | <b>Totals</b>                |
|---|----------------------------------|--------------------------------|------------------------------|
|   | <b>Enterprise</b>                | <b>Agency</b>                  | <b>(Memorandum<br/>Only)</b> |
| <b>Operating Cash Receipts:</b>               |                                  |                                |                              |
| Charges for Services                          | \$ 689,827                       | \$ -                           | \$ 689,827                   |
| Fines, Licenses & Permits                     | -                                | 88,965                         | 88,965                       |
| Bonds Posted                                  | -                                | 1,375                          | 1,375                        |
| Miscellaneous                                 | <u>1,749</u>                     | <u>-</u>                       | <u>1,749</u>                 |
| Total Operating Cash Receipts                 | 691,576                          | 90,340                         | 781,916                      |
| <b>Operating Cash Disbursements</b>           |                                  |                                |                              |
| Personal services                             | 241,967                          | -                              | 241,967                      |
| Employee Fringe benefits                      | 93,441                           | -                              | 93,441                       |
| Contractual services                          | 156,343                          | 81,242                         | 237,585                      |
| Supplies and Materials                        | 64,271                           | -                              | 64,271                       |
| Bond Payments                                 | <u>-</u>                         | <u>375</u>                     | <u>375</u>                   |
| Total Operating Cash Disbursements            | <u>556,022</u>                   | <u>81,617</u>                  | <u>637,639</u>               |
| <i>Operating Income (Loss)</i>                | 135,554                          | 8,723                          | 144,277                      |
| <b>Non-Operating Receipts (Disbursements)</b> |                                  |                                |                              |
| Intergovernmental                             | 273,235                          | -                              | 273,235                      |
| Debt Proceeds                                 | 273,235                          | -                              | 273,235                      |
| Capital Outlay                                | (599,586)                        | -                              | (599,586)                    |
| Debt Service:                                 |                                  |                                |                              |
| Principal                                     | (101,081)                        | -                              | (101,081)                    |
| Interest                                      | <u>(20,479)</u>                  | <u>-</u>                       | <u>(20,479)</u>              |
| Total Non-Operating Receipts (Disbursements)  | <u>(174,676)</u>                 | <u>-</u>                       | <u>(174,676)</u>             |
| <i>Net Change in Fund Cash Balances</i>       | (39,122)                         | 8,723                          | (30,399)                     |
| Fund Cash Balances, January 1                 | <u>709,387</u>                   | <u>550</u>                     | <u>709,937</u>               |
| <b>Fund Cash Balances, December 31</b>        | <b><u>\$ 670,265</u></b>         | <b><u>\$ 9,273</u></b>         | <b><u>\$ 679,538</u></b>     |

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

**VILLAGE OF ENON  
CLARK COUNTY, OHIO**

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

|  | <b>Governmental Fund Types</b> |                           | <b>Totals</b>            |
|--|--------------------------------|---------------------------|--------------------------|
|  | <b>General</b>                 | <b>Special Revenue</b>    | <b>(Memorandum Only)</b> |
| <b>Cash Receipts:</b>                                |                                |                           |                          |
| Property and Local Taxes                             | \$ 136,389                     | \$ 189,429                | \$ 325,818               |
| Intergovernmental                                    | 69,456                         | 183,684                   | 253,140                  |
| Charges for Services                                 | 2,960                          | -                         | 2,960                    |
| Fines, Licenses, and Permits                         | 85,108                         | 3,470                     | 88,578                   |
| Earnings on Investments                              | 1,130                          | -                         | 1,130                    |
| Miscellaneous  | 19,159                         | 4,641                     | 23,800                   |
| Total Cash Receipts                                  | <u>314,202</u>                 | <u>381,224</u>            | <u>695,426</u>           |
| <b>Cash Disbursements:</b>                           |                                |                           |                          |
| Current:   |                                |                           |                          |
| Security of Persons & Property                       | 146,584                        | 285,214                   | 431,798                  |
| Leisure Time Activities                              | 2,560                          | -                         | 2,560                    |
| Transportation                                       | -                              | 106,229                   | 106,229                  |
| General Government                                   | 151,476                        | 2,400                     | 153,876                  |
| Capital Outlay                                       | 41,227                         | 52,711                    | 93,938                   |
| Debt Service:  |                                |                           |                          |
| Redemption of Principal                              | 13,555                         | -                         | 13,555                   |
| Interest and Fiscal Charges                          | 1,520                          | -                         | 1,520                    |
| Total Cash Disbursements                             | <u>356,922</u>                 | <u>446,554</u>            | <u>803,476</u>           |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <i>(42,720)</i>                | <i>(65,330)</i>           | <i>(108,050)</i>         |
| <b>Other Financing Receipts (Disbursements):</b>     |                                |                           |                          |
| Debt Proceeds  | 38,836                         | -                         | 38,836                   |
| Sale of Fixed Assets                                 | 4,750                          | -                         | 4,750                    |
| Transfers-In   | -                              | 4,857                     | 4,857                    |
| Transfers-Out  | (4,857)                        | -                         | (4,857)                  |
| Total Other Financing Receipts (Disbursements)       | <u>38,729</u>                  | <u>4,857</u>              | <u>43,586</u>            |
| <i>Net Change in Fund Cash Balances</i>              | <i>(3,991)</i>                 | <i>(60,473)</i>           | <i>(64,464)</i>          |
| Fund Cash Balances, January 1                        | <u>197,911</u>                 | <u>(14,617)</u>           | <u>183,294</u>           |
| Nonspendable   | 2,364                          | -                         | 2,364                    |
| Restricted   | -                              | 59,910                    | 59,910                   |
| Assigned   | 146,508                        | -                         | 146,508                  |
| Unassigned   | 45,048                         | (135,000)                 | (89,952)                 |
| <b>Fund Cash Balances, December 31</b>               | <b><u>\$ 193,920</u></b>       | <b><u>\$ (75,090)</u></b> | <b><u>\$ 118,830</u></b> |

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

**VILLAGE OF ENON  
CLARK COUNTY, OHIO**

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

|   | <b>Proprietary<br/>Fund Type</b> | <b>Fiduciary<br/>Fund Type</b> | <b>Totals</b>                |
|---|----------------------------------|--------------------------------|------------------------------|
|   | <b>Enterprise</b>                | <b>Agency</b>                  | <b>(Memorandum<br/>Only)</b> |
| <b>Operating Cash Receipts:</b>               |                                  |                                |                              |
| Charges for Services                          | \$ 676,827                       | \$ -                           | \$ 676,827                   |
| Fines, Licenses & Permits                     | -                                | 62,423                         | 62,423                       |
| Bonds Posted                                  | -                                | 975                            | 975                          |
| Miscellaneous                                 | <u>1,366</u>                     | -                              | <u>1,366</u>                 |
| Total Operating Cash Receipts                 | 678,193                          | 63,398                         | 741,591                      |
| <b>Operating Cash Disbursements</b>           |                                  |                                |                              |
| Personal services                             | 248,216                          | -                              | 248,216                      |
| Employee Fringe benefits                      | 80,820                           | -                              | 80,820                       |
| Contractual services                          | 183,414                          | 67,788                         | 251,202                      |
| Supplies and Materials                        | 101,196                          | -                              | 101,196                      |
| Bond Payments                                 | -                                | <u>1,825</u>                   | <u>1,825</u>                 |
| Total Operating Cash Disbursements            | <u>613,646</u>                   | <u>69,613</u>                  | <u>683,259</u>               |
| <i>Operating Income (Loss)</i>                | 64,547                           | (6,215)                        | 58,332                       |
| <b>Non-Operating Receipts (Disbursements)</b> |                                  |                                |                              |
| Debt Proceeds                                 | 75,000                           | -                              | 75,000                       |
| Capital Outlay                                | (364,234)                        | -                              | (364,234)                    |
| Debt Service:                                 |                                  |                                |                              |
| Principal                                     | (32,169)                         | -                              | (32,169)                     |
| Interest                                      | <u>(8,035)</u>                   | -                              | <u>(8,035)</u>               |
| Total Non-Operating Receipts (Disbursements)  | <u>(329,438)</u>                 | -                              | <u>(329,438)</u>             |
| <i>Net Change in Fund Cash Balances</i>       | (264,891)                        | (6,215)                        | (271,106)                    |
| Fund Cash Balances, January 1                 | <u>974,278</u>                   | <u>6,765</u>                   | <u>981,043</u>               |
| <b>Fund Cash Balances, December 31</b>        | <b>\$ 709,387</b>                | <b>\$ 550</b>                  | <b>\$ 709,937</b>            |

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

**VILLAGE OF ENON  
CLARK COUNTY**

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

**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 Enon, Clark County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general governmental services, including water sanitation, roadway maintenance and repair, park operations, and police services.

The Village participates in the Ohio Plan Risk Management, Inc. which is a public entity risk pool. See Note 8 for additional information regarding this organization.

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

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits and Investments**

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

The Village records money market mutual funds (including STAR Ohio) at the share value reported by the mutual fund.

**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.

**VILLAGE OF ENON  
CLARK COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Special Revenue Funds (continued):**

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

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

Police Levy Fund – This fund receives property tax and associated receipts generated by the voter approved police levy which is for providing police protection.

**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 one fund deemed as an enterprise fund:

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

**5. Fiduciary Funds (Agency Fund):**

The Village has one agency fund which is purely custodial in nature and is used to hold resources for individuals, organizations or other government. The Mayor's Court fund receives monies for court fees, fines and forfeitures. On a monthly basis, these amounts are remitted to the Village, the State of Ohio, and other entities as prescribed law.

**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.

**VILLAGE OF ENON  
CLARK COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgetary Process (continued)**

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 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 ENON  
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**

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

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

|                         | <u>2016</u>      | <u>2015</u>      |
|-------------------------|------------------|------------------|
| Demand deposits         | \$506,606        | \$600,618        |
| Certificates of deposit | <u>229,269</u>   | <u>228,149</u>   |
| Total deposits:         | <u>\$735,875</u> | <u>\$828,767</u> |

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

**Investments:** Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF ENON  
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:

| Fund Type       | 2016 Budgeted Receipts |                     |                   |
|-----------------|------------------------|---------------------|-------------------|
|                 | Budgeted Receipts      | Actual Receipts     | Variance          |
| General         | \$ 269,122             | \$ 280,312          | \$ 11,190         |
| Special Revenue | 374,406                | 390,297             | 15,891            |
| Enterprise      | 726,000                | 1,238,046           | 512,046           |
| Total           | <u>\$ 1,369,528</u>    | <u>\$ 1,908,655</u> | <u>\$ 539,127</u> |

**2016 Budgeted vs Actual Budgetary Basis Expenditures**

| Fund Type       | Appropriation       | Budgetary           | Variance            |
|-----------------|---------------------|---------------------|---------------------|
|                 | Authority           | Expenditures        |                     |
| General         | \$ 418,099          | \$ 357,046          | \$ 61,053           |
| Special Revenue | 412,826             | 398,399             | 14,427              |
| Enterprise      | 815,231             | 1,294,820           | (479,589)           |
| Total           | <u>\$ 1,646,156</u> | <u>\$ 2,050,265</u> | <u>\$ (404,109)</u> |

**2015 Budgeted Receipts**

| Fund Type       | Budgeted            | Actual              | Variance         |
|-----------------|---------------------|---------------------|------------------|
|                 | Receipts            | Receipts            |                  |
| General         | \$ 329,881          | \$ 357,788          | \$ 27,907        |
| Special Revenue | 377,364             | 386,081             | 8,717            |
| Enterprise      | 701,000             | 753,193             | 52,193           |
| Total           | <u>\$ 1,408,245</u> | <u>\$ 1,497,062</u> | <u>\$ 88,817</u> |

**2015 Budgeted vs Actual Budgetary Basis Expenditures**

| Fund Type       | Appropriation       | Budgetary           | Variance         |
|-----------------|---------------------|---------------------|------------------|
|                 | Authority           | Expenditures        |                  |
| General         | \$ 455,181          | \$ 398,978          | \$ 56,203        |
| Special Revenue | 474,116             | 454,444             | 19,672           |
| Enterprise      | 1,030,310           | 1,023,315           | 6,995            |
| Total           | <u>\$ 1,959,607</u> | <u>\$ 1,876,737</u> | <u>\$ 82,870</u> |

**VILLAGE OF ENON  
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.

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

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

**5. DEBT**

Debt outstanding at December 31, 2016 was as follows:

|                            | Principal        | Interest Rate |
|----------------------------|------------------|---------------|
| OWDA Loan - #4000          | \$296,884        | 3.26%         |
| OWDA Loan - #5356          | 67,267           | 0.00%         |
| OWDA Loan - #6474          | 151,271          | 2.17%         |
| OPWC (A) CK023             | 6,531            | 0.00%         |
| OPWC 06 CK16J              | 16,626           | 0.00%         |
| OPWC CT34R                 | 71,250           | 0.00%         |
| OPWC CK21T                 | 273,235          | 0.00%         |
| WesBanco Loan – truck      | 18,458           | 2.82%         |
| WesBanco Loan – police car | 26,497           | 2.82%         |
| Total                      | <u>\$928,019</u> |               |

**OWDA Loan #4000**

This loan was obtained through the Ohio Water Development Authority (OWDA) and relates to the new well field development. The loan will be repaid in semi-annual installments of \$22,471 over 20 years with final maturity on 7/1/2024. The loan is secured by water receipts.

**OWDA Loan #5356**

This loan was obtained through the Ohio Water Development Authority (OWDA) and relates to the water treatment plant upgrades. The loan will be repaid in semi-annual installments of \$2,491 over 20 years with final maturity on 7/1/2030. This loan is secured by water receipts.

**OWDA Loan #6474**

This loan was obtained through the Ohio Water Development Authority (OWDA) and relates to the water meter replacement/upgrades throughout the Village. The loan will be repaid in semi-annual installments of \$10,982 over 10 years with a final maturity on 7/1/2024. This loan is secured by water receipts.

**OPWC (A) CK023 Loan**

This loan was obtained through the Ohio Public Works Commission (OPWC) for the Houck Meadows water main extension and is secured by water receipts. The loan is being repaid in semi-annual installments of \$3,266 over 20 years with final maturity on 1/1/2018.

**VILLAGE OF ENON  
CLARK COUNTY**

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

**5. DEBT (CONTINUED)**

OPWC 06 CK16J Loan

This loan was obtained through the Ohio Public Works Commission (OPWC) for improvements to Stine Road and is secured by water receipts. The loan is being repaid in semi-annual installments of \$693 over 20 years with final maturity on 1/1/2029.

OPWC CR34R Loan

This loan was obtained through the Ohio Public Works Commission (OPWC) for replacement of the water softener at the water treatment plant and is secured by water receipts. The loan is being repaid in semi-annual installments of \$1,205 over 30 years with final maturity on 7/1/2045.

OPWC CK21T Loan

This loan was obtained through the Ohio Public Works Commission (OPWC) for construction of the Speedway water loop project. This loan has not yet been finalized, so no formal repayment schedule has been established to date.

WesBanco Loan – truck

This loan was obtained through WesBanco to finance the purchase of a truck. The loan is being repaid in semi-annual installments of \$4,784 over five years with final maturity on 10/1/2018.

WesBanco Loan – police car

This loan was obtained through WesBanco to finance the purchase of a police car. This loan is being repaid in monthly installments of \$688 over five years with final maturity on 4/14/2020.

Amortization of the above debt, including interest, is scheduled, with the exception of the OPWC Loan #CK21T noted above, as flows:

\*The loan for OWDA #6054 has not been finalized; therefore, an amortization schedule is not available.

| Year      | OWDA              |                  | OPWC             |             | WesBanco         |                 |
|-----------|-------------------|------------------|------------------|-------------|------------------|-----------------|
|           | Principal         | Interest         | Principal        | Interest    | Principal        | Interest        |
| 2017      | \$ 29,464         | \$ 6,481         | \$ 5,208         | \$ -        | \$ 16,842        | \$ 987          |
| 2018      | 60,099            | 11,789           | 7,151            | -           | 17,269           | 549             |
| 2019      | 61,701            | 10,187           | 3,885            | -           | 8,099            | 163             |
| 2020      | 63,350            | 8,538            | 3,886            | -           | 2,745            | 9               |
| 2021      | 65,050            | 6,838            | 3,886            | -           | -                | -               |
| 2022-2026 | 215,829           | 9,801            | 19,427           | -           | -                | -               |
| 2027-2031 | 19,929            | -                | 15,964           | -           | -                | -               |
| 2032-2036 | -                 | -                | 12,500           | -           | -                | -               |
| 2037-2041 | -                 | -                | 12,500           | -           | -                | -               |
| 2042-2045 | -                 | -                | 10,000           | -           | -                | -               |
|           | <b>\$ 515,422</b> | <b>\$ 53,634</b> | <b>\$ 94,407</b> | <b>\$ -</b> | <b>\$ 44,955</b> | <b>\$ 1,708</b> |

**VILLAGE OF ENON  
CLARK COUNTY**

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

**6. DEFINED BENEFIT PENSION PLANS**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - Village employees, other than full-time police, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Village employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

**VILLAGE OF ENON  
CLARK COUNTY**

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

**6. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

| <b>Group A</b>   | <b>Group B</b>   | <b>Group C</b>  |
|--|--|---|
| Eligible to retire prior to January 7, 2013 or five years after January 7, 2013  | 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013  | Members in other Groups and members hired on or after January 7, 2013   |
| <b>State and Local Employees</b>   |  |   |
| <b>Age and Service Requirements:</b><br>Age 60 with 60 months of service credit or Age 55 with 25 years of service credit<br><b>Formula:</b><br>2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years | <b>Age and Service Requirements:</b><br>Age 60 with 60 months of service credit or Age 55 with 25 years of service credit<br><b>Formula:</b><br>2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years | <b>Age and Service Requirements:</b><br>Age 57 with 25 years of service credit or Age 62 with 5 years of service credit<br><b>Formula:</b><br>2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 years  |
| <b>Public Safety Employees</b>   |  |   |
| <b>Age and Service Requirements:</b><br>Age 48 with 25 years of service credit or Age 52 with 15 years of service credit<br><b>Formula:</b><br>2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years  | <b>Age and Service Requirements:</b><br>Age 48 with 25 years of service credit or Age 52 with 15 years of service credit<br><b>Formula:</b><br>2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years  | <b>Age and Service Requirements:</b><br>Age 57 with 25 years of service credit or Age 56 with 15 years of service credit<br><b>Formula:</b><br>2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years |
| <b>Law Enforcement Employees</b>   |  |   |
| <b>Age and Service Requirements:</b><br>Age 52 with 15 years of service credit<br><b>Formula:</b><br>2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years  | <b>Age and Service Requirements:</b><br>Age 48 with 25 years of service credit or Age 52 with 15 years of service credit<br><b>Formula:</b><br>2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years  | <b>Age and Service Requirements:</b><br>Age 57 with 25 years of service credit or Age 56 with 15 years of service credit<br><b>Formula:</b><br>2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years |

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**VILLAGE OF ENON  
CLARK COUNTY**

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

**6. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

|   | <u>State and<br/>Local<br/>Employees</u> | <u>Public<br/>Safety<br/>Employees</u> | <u>Law<br/>Enforcement<br/>Employees</u> |
|---|--|--|--|
| <b>2016 and 2015 Statutory Maximum Contribution Rates</b> |  |  |  |
| Employer  | 14.00%                                   | 18.10%                                 | 18.10%                                   |
| Employee  | 10.00%                                   | *                                      | **                                       |
| <b>2016 and 2015 Actual Contribution Rates</b>            |  |  |  |
| Employer:   |  |  |  |
| Pension   | 12.00%                                   | 16.10%                                 | 16.10%                                   |
| Post-employment Health Care Benefits                      | <u>2.00%</u>                             | <u>2.00%</u>                           | <u>2.00%</u>                             |
| Total Employer  | <u>14.00%</u>                            | <u>18.10%</u>                          | <u>18.10%</u>                            |
| Employee  | <u>10.00%</u>                            | <u>12.00%</u>                          | <u>13.00%</u>                            |

\* - This rate is determined by OPERS' Board and has no maximum rate established by ORC.

\*\* - This rate is also determined by OPERS' Board, but is limited to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Village's contractually required contribution was \$55,392 for year 2016 and \$51,861 for year 2015.

**Plan Description – Ohio Police & Fire Pension Fund (OPF)**

Plan Description - Village full-time police participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

**VILLAGE OF ENON  
CLARK COUNTY**

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

**6. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

|   |  | <u>Police</u> |
|---|--|---------------|
| <b>2016 and 2015 Statutory Maximum Contribution Rates</b> |  |               |
| Employer  |  | 19.50%        |
| Employee:   |  |               |
| January 1, 2015 through July 1, 2015                      |  | 11.50%        |
| July 2, 2015 through December 31, 2015                    |  | 12.25%        |
| <b>2016 and 2015 Actual Contribution Rates</b>            |  |               |
| Employer:   |  |               |
| Pension   |  | 19.00%        |
| Post-employment Health Care Benefits                      |  | <u>0.50%</u>  |
| Total Employer  |  | <u>19.50%</u> |
| Employee:   |  |               |
| January 1, 2015 through July 1, 2015                      |  | 11.50%        |
| July 2, 2015 through December 31, 2015                    |  | 12.25%        |

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OPF was \$22,528 for 2106 and \$35,628 for 2015.

**VILLAGE OF ENON  
CLARK COUNTY**

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

**7. POSTEMPLOYMENT BENEFITS**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a health Reimbursement Agreement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2.0 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits

**8. RISK MANAGEMENT**

The Village belongs to the Ohio Plan Risk Management, Inc. (the OPRM), 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 OPRM is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, OPRM provides property, liability, error and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage programs to its members through fourteen appointed agents in the State of Ohio.

OPRM coverage programs are developed specific to each members 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 47.0% (effective November 1, 2014) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1 million property treaty. OPRM'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 772 and 783 members as of December 31, 2015 and 2014 respectively (latest information available).

Plan members are responsible to notify OPRM of their intent to renew coverage by their renewal date. If a member chooses not to renew with OPRM, they have no other financial obligation to OPRM, but still need to promptly notify OPRM 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 OPRM.

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

OPRM'S audited financial statements conform with accounting principles generally accepted in the United States of America and report the following assets, liabilities and equity at December 31, 2015 and 2014 respectively (latest information available):

|                | <u>2015</u>         | <u>2014</u>         |
|----------------|---------------------|---------------------|
| Assets         | \$ 14,643,667       | \$ 14,830,185       |
| Liabilities    | (9,112,030)         | (8,942,504)         |
| Members Equity | <u>\$ 5,531,637</u> | <u>\$ 5,887,681</u> |

**VILLAGE OF ENON  
CLARK COUNTY**

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

**8. RISK MANAGEMENT (CONTINUED)**

You can read complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

The Village insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

**9. CONTINGENT LIABILITIES**

As of December 31, 2016, the Village is a defendant in various lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matter will not have a material adverse effect on the Village's financial condition.



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

Village of Enon  
Clark County  
363 East Main St  
Enon, Ohio 45323

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 Enon, 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 March 28, 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.

Village of Enon

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

Page 2

***Compliance and Other Matters***

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit, and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as Finding Number 2016-001.

***Entity's Response to Findings***

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly we express no opinion on it.

***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.

Columbus, Ohio

March 28, 2017

**VILLAGE OF ENON  
CLARK COUNTY**

**Schedule of Findings  
December 31, 2016 and 2015**

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

**Finding 2016-001**

**Noncompliance – Negative Fund Balance**

**Ohio Rev. Code Section 5705.10(I)** requires that money paid into any fund shall be used only for the purposes for which such fund has been established. The existence of a deficit balance in any fund indicates that money from another fund or funds have been used to pay the obligations of the fund or funds carrying the deficit balance. The Village's Special Revenue Grant Fund reported a negative fund balance of \$73,772 at December 31, 2016 and \$75,090 at December 31, 2015.

The Village should develop and implement procedures to monitor fund cash balances and consider the reduction of disbursements, if possible, to avoid negative balances. When expenditures are anticipated to temporarily exceed available resources, the Village should consider an advance from the General Fund. The Village should refer to Auditor of State Bulletin 97-003 for guidance on the accounting treatment and approval process for advances.

**Client Response:**

The negative cash balance in question resulted from questionable acts committed prior to 2012 regarding how debt repayments were handled. As it was the Village's intention to repay the debt over a significant period of time, the repayment of this deficit fund balance will take a significant period of time to resolve itself. The Village is committed to making transfers to that particular fund to resolve the deficit as resources are available within the general fund.

**VILLAGE OF ENON  
CLARK COUNTY**

**Schedule of Prior Audit Findings  
December 31, 2016 and 2015**

| Finding Number | Finding Summary                               | Fully Corrected? | Not Corrected; Partially Corrected: Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain: |
|----------------|---|------------------|---|
| 2014-001       | Material Weakness – Financial Reporting       | Yes              |   |
| 2014-002       | Noncompliance – Negative Fund Balance         | No               | Reissued as 2016-001  |
| 2014-003       | Significant Deficiency – Bank Reconciliations | Yes              |   |

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# Dave Yost • Auditor of State

VILLAGE OF ENON

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.

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

CERTIFIED  
JUNE 13, 2017