



**Dave Yost • Auditor of State**

**Village of Leipsic  
Putnam County**

**Financial Emergency Termination**

**Local Government Services**



Village of Leipsic, Putnam County

Fiscal Emergency Termination

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Village of Leipsic 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 Leipsic, the Auditor of State performed an analysis of the Village of Leipsic 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 Leipsic 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 Leipsic and its role in the operation of the Village of Leipsic is terminated as of November 16, 2017.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted to Kevin J. Benton, Mayor of the Village of Leipsic; Sue Schroeder, President of Village Council; John Kasich, Governor; John Husted, Secretary of State; Timothy Keen, Director of the Office of Budget and Management; Josh Mandel, Treasurer of State; and Robert L. Benroth, Putnam County Auditor.

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

Dave Yost  
Auditor of State

November 16, 2017

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Village of Leipsic, Putnam County  
Report on the Village of Leipsic  
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**Report on the Termination of the Leipsic Financial Planning and Supervision Commission**

At the request of the Village of Leipsic Financial Planning and Supervision Commission (the Commission), Putnam 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 seven 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 eight.

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 twelve.

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 Leipsic, the Auditor of State of Ohio, the Governor of Ohio, the Mayor of the Village of Leipsic, and others as designated by the Auditor of State and is not to be used for any other purpose. Our procedures and findings follow.

## **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 Leipsic (the Village) and issued a Report on Accounting Methods, dated April 23, 2013. 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 of the Revised Code. The Village Fiscal Officer, as well as 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 position, 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 compares the total appropriations to total estimated resources for each fund to ensure the total appropriations do not exceed the total estimated resources available for expenditure as certified by the Budget Commission. This comparison is presented to Village Council prior to their approval of any supplemental appropriations.

**Chart of Fund and Account Codes**

Auditor of State Comment from Report on Accounting Methods

The Village's chart of accounts identifies a specific formula for the creation of an account code for both receipt and disbursement accounts. However, some of the Village's current accounts, for both receipts and disbursements, are not consistent with this formula. For example, the numbers used to identify the receipt source and the disbursement program do not always follow the numbering logic of the formula. The Village should continue to evaluate and modify its account codes to provide consistency throughout the account coding system.

Implemented

The Village is currently using a uniform chart of accounts for all funds.

**Receipt Transactions**

Auditor of State Comment from Report on Accounting Methods

Deposits are not made daily. Section 9.38 of the Revised Code requires the deposit of all public monies the next business day next following the day of receipt or, if the amount is less than \$1,000, the legislative authority may adopt a policy permitting a different time period, not to exceed three business days next following the day of receipt for making such deposits. The policy shall include provisions and procedures to safeguard the public monies until they are deposited.

Implemented

Village Council passed an ordinance on February 3, 2014, allowing the Fiscal Officer and its appointees to make deposits within three business days of receipt if the amount is less than \$1,000. Deposits are made within the guidelines of the Ohio Revised Code or Village Ordinance. Deposits are secured in Village Hall until the day of deposit.

**Purchasing Process**

Auditor of State Comment from Report on Accounting Methods

The Village does not require new vendors to submit information before a purchase order is completed. The Village should not issue purchase orders to a new vendor until all appropriate information about the vendor is received, including an IRS Form W-9.

Implemented

The Village requires all new vendors to submit required information before a purchase order is completed, including an IRS form W-9.

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Auditor of State Comment from Report on Accounting Methods

The Ohio Administrative Code requires purchase orders to be used to initiate purchase commitments and to encumber funds against the applicable appropriation accounts. Purchases should be certified indicating sufficient unencumbered appropriations exist prior to the purchase of goods or services. All purchases should be approved by the Village Administrator and certified by the Fiscal Officer prior to the order for goods or services being placed.

Implemented

The Village is utilizing purchase orders to encumber funds against applicable appropriation accounts prior to a purchase. Purchase orders are approved by the Village Administrator and certified by the Fiscal Officer prior to the order for goods and services being placed.

Auditor of State Comment from Report on Accounting Methods

The Village currently utilizes blanket purchase orders; however, the Village Council has not established the limits for blanket purchase orders by resolution.

Implemented

Village Council passed an ordinance on September 16, 2013, to establish the amount for blanket purchase orders to be limited to \$50,000, and a maximum amount of \$250,000 on super blanket purchase orders.

Auditor of State Comment from Report on Accounting Methods

Department supervisors are allowed to make purchases up to \$150 per month without the approval of the Village Administrator; however, the Village has no policy outlining this process. The Village Council should establish a policy outlining the authorization for this type of purchase.

Implemented

Village Council passed an ordinance on May 19, 2014, allowing department supervisors to make purchases up to \$150 per month without the approval of the Village Administrator.

Auditor of State Comment from Report on Accounting Methods

The Village does not use the Auditor of State Findings for Recovery Database when entering into contracts. Section 9.24 of the Revised Code prohibits any State agency or political subdivision from awarding a contract for goods, services, or construction, paid for in whole or in part with State funds, to any person against whom a finding for recovery has been issued by the Auditor of State if that finding is unresolved.

Implemented

The Village utilizes the Auditor of State Findings for Recovery Database to verify that vendors do not have any unresolved findings before entering into contracts.

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**Inventory of Capital Assets**

Auditor of State Comment from Report on Accounting Methods

The Village does not maintain a consistent inventory of capital assets. Without an inventory of capital assets, the Village is unable to determine if there is adequate insurance coverage, whether assets have been lost or stolen, whether idle assets exist that can be sold to generate additional revenue, and whether assets are used in the most efficient manner. The Village should adopt policies and procedures to account for capital assets and update its inventory of capital assets annually.

Implemented

The Village has adopted a capital asset policy and prepared an inventory of all property, buildings, and equipment.

**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 has not met on a regular basis.

Implemented

The Village's records commission is currently meeting every six months. Its last meeting was May 15, 2017.

**Audit Report**

The Village Council and Officials receive a compliance and management letter at the conclusion of each annual audit. The two-year audit for the periods ended December 31, 2014, and December 31, 2015, identified one finding or deficiency in the audit report and the management letter noted one noncompliance issue.

The audit report finding identified several receipt and disbursement posting errors and the noncompliance issue in the management letter related to a council member not abstaining from the approval of purchases in which the council member had an interest in the profit or benefit of a public contract of the Village.

The Fiscal Officer is working to ensure all receipt and disbursement transactions are properly recorded. The Village has submitted an inquiry to the Ohio Ethics Commission related to the council member's purchase approval issue.

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**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 May 31, 2017, is as follows:

Debt Issue	Interest Rate	Year Issued	Issue Amount
<u>Notes Payable</u>			
Industrial Park Waterline	2.90%	2014	\$220,000
<u>General Obligation Bonds</u>			
Fire Truck Acquisition	3.22	2014	144,000
Water System Improvement	4.50-4.75	2007	1,500,000
<u>Mortgage Revenue Bonds</u>			
Waterworks System Mortgage Revenue	5.00	1997	2,371,000
<u>OWDA Loans</u>			
Wastewater Treatment Plant Improvements	3.00	1997	5,993,619
Sanitary Sewer Separation	0.00	2006	5,993,619
Water Reservoir	4.00	2008	7,600,050
Water Meters	0.95	2016	234,819
<u>OPWC Loans</u>			
Vine Street Sanitary Sewer Separation	0.00	1999	105,916
Eastom and Blank Street Storm Sewer	0.00	2001	136,800
Orchard Drive Sewer Replacement	0.00	2010	132,399

**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 May 31, 2017.

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**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.

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 May 31, 2017. 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 Putnam 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 2017 which resulted in a reduction in the minimum levies for one or more other subdivisions or taxing districts. The confirmation received from the Putnam County Budget Commission indicated that the Commission had not taken any action for tax year 2017 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 May 31, 2017.

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**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.

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.

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**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.

Treasury Balance		Schedule I
Ohio Revised Code Section 118.03(A)(6)		
As of December 31, 2016		Amounts at
		December 31, 2016
Bank Cash Balance		
The Union Bank Company		\$5,163,868
Reconciling Factors for		
Cash on Hand		110
Outstanding Checks		(36,600)
		5,127,378
Total Treasury Balance		
Positive Fund Balances		
General		643,108
Income Tax		54,087
Unclaimed Monies		3,330
Street		229,298
Law Enforcement		3,775
State Highway		35,348
Fire		221,645
Capital Projects - D		45,100
Capital Projects - F		25,057
Blighted Properties		397,229
Water		909,920
Water Debt		83,250
Wastewater		713,546
Wastewater Debt		917
Wastewater TIF		143,284
Railroad		113,645
Reservoir		103,736
Reservoir Debt		1,401,103
Total Positive Fund Balances		5,127,378
Treasury Deficiency		\$0

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**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.

**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 Leipsic  
Putnam County**

**Financial Forecast**

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

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Village of Leipsic, Putnam County

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# Dave Yost • Auditor of State

Village Council  
Village of Leipsic  
142 East Main Street  
Leipsic, Ohio 45856

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 Leipsic, for the five years ending December 31, 2021. This statement is presented on the budget basis of accounting used by the Village of Leipsic rather than on generally accepted accounting principles. The Village of Leipsic'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 Leipsic and the Financial Planning and Supervision Commission of Leipsic 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

September 6, 2017

Village of Leipsic, Putnam 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
<b>Revenues</b>			
Property Taxes	\$121,670	\$129,690	\$125,850
Intergovernmental	70,370	63,280	54,180
Charges for Services	16,930	15,190	15,160
Fines, Forfeitures, and Licenses	9,240	8,970	9,580
Interest	450	320	310
Other Revenues	16,670	31,240	14,390
<b>Total Revenues</b>	<b>235,330</b>	<b>248,690</b>	<b>219,470</b>
<b>Expenditures</b>			
<b>Security of Persons and Property</b>			
<b>Police</b>			
Personal Services	204,330	183,360	223,780
Travel and Transportation	0	0	50
Contractual Services	11,630	11,190	16,080
Supplies and Materials	10,690	12,780	7,230
Capital Outlay	0	0	0
Other	0	0	170
<b>Total Police</b>	<b>226,650</b>	<b>207,330</b>	<b>247,310</b>
<b>Street Lighting</b>			
Contractual Services	34,950	30,820	30,440
<b>EMS</b>			
Contractual Services	1,930	0	0
<b>Total Security of Persons and Property</b>	<b>263,530</b>	<b>238,150</b>	<b>277,750</b>
<b>Leisure Time Activities</b>			
<b>Recreation</b>			
Personal Services	1,900	2,210	2,320
Contractual Services	890	580	990
<b>Total Recreation</b>	<b>2,790</b>	<b>2,790</b>	<b>3,310</b>
<b>Park</b>			
Personal Services	22,500	26,890	24,480
Contractual Services	6,020	7,720	5,360
Supplies and Materials	2,520	2,680	3,100
Capital Outlay	42,200	10,430	94,730
<b>Total Park</b>	<b>73,240</b>	<b>47,720</b>	<b>127,670</b>

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$120,500	\$120,500	\$120,500	\$120,500	\$120,500
48,330	48,330	48,330	48,330	48,330
15,160	15,160	15,160	15,160	15,160
10,100	10,100	10,100	10,100	10,100
400	490	560	620	690
13,200	13,200	13,200	13,200	13,200
207,690	207,780	207,850	207,910	207,980
252,680	262,830	273,490	284,690	296,460
500	500	500	500	500
12,470	12,760	13,070	13,380	13,710
7,970	8,360	8,760	9,190	9,640
30,000	0	0	0	30,000
0	0	0	0	0
303,620	284,450	295,820	307,760	350,310
32,680	22,880	22,880	22,880	22,880
0	0	0	0	0
336,300	307,330	318,700	330,640	373,190
2,400	2,490	2,580	2,670	2,770
1,140	1,200	1,260	1,320	1,390
3,540	3,690	3,840	3,990	4,160
28,710	29,700	30,730	31,810	32,920
8,950	8,760	9,010	9,270	9,540
3,700	3,890	4,080	4,280	4,500
75,000	70,000	32,000	20,000	0
116,360	112,350	75,820	65,360	46,960

(continued)

Village of Leipsic, Putnam 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)			
Leisure Time Activities (continued)			
Pool			
Personal Services	\$530	\$530	\$580
Contractual Services	83,740	52,140	58,500
Supplies and Materials	730	1,410	1,280
Capital Outlay	3,040	8,280	1,570
Total Pool	<u>88,040</u>	<u>62,360</u>	<u>61,930</u>
Total Leisure Time Activities	<u>164,070</u>	<u>112,870</u>	<u>192,910</u>
Community Environment			
Economic Development			
Contractual Services	17,310	22,060	23,610
Rental Properties			
Contractual Services	4,690	3,290	0
Other	0	1,200	0
Total Rental Properties	<u>4,690</u>	<u>4,490</u>	<u>0</u>
Tree Maintenance			
Contractual Services	11,340	10,210	4,120
Waste Disposal			
Supplies and Materials	1,150	1,220	9,510
Total Community Environment	<u>34,490</u>	<u>37,980</u>	<u>37,240</u>
General Government			
Mayor			
Personal Services	4,670	4,670	4,800
Supplies and Materials	20	20	20
Total Mayor	<u>4,690</u>	<u>4,690</u>	<u>4,820</u>
Council			
Personal Services	20,080	21,010	21,270
Contractual Services	28,430	18,440	26,700
Supplies and Materials	4,430	6,390	7,130
Other	1,620	1,620	1,620
Total Council	<u>54,560</u>	<u>47,460</u>	<u>56,720</u>

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$580	\$580	\$580	\$580	\$580
59,690	57,820	58,520	59,240	59,990
1,350	1,420	1,490	1,560	1,640
10,000	5,000	10,000	5,000	10,000
71,620	64,820	70,590	66,380	72,210
191,520	180,860	150,250	135,730	123,330
22,780	24,380	26,080	27,910	29,860
2,000	2,000	2,000	2,000	2,000
0	0	0	0	0
2,000	2,000	2,000	2,000	2,000
10,000	10,000	10,000	10,000	10,000
1,300	1,400	1,510	1,640	1,770
36,080	37,780	39,590	41,550	43,630
4,700	4,700	4,710	4,710	4,710
40	200	200	200	200
4,740	4,900	4,910	4,910	4,910
21,080	21,100	21,110	21,130	21,150
18,430	28,760	19,110	49,480	19,850
7,150	7,510	7,880	8,280	8,690
1,800	1,800	1,800	1,800	1,800
48,460	59,170	49,900	80,690	51,490

(continued)

Village of Leipsic, Putnam 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)			
Solicitor			
Personal Services	\$0	\$4,910	\$6,690
Contractual Services	7,090	0	0
Total Solicitor	7,090	4,910	6,690
Fiscal Officer			
Personal Services	21,810	24,750	18,830
Travel and Transportation	670	1,330	890
Contractual Services	420	420	420
Supplies and Materials	550	1,110	930
Total Fiscal Officer	23,450	27,610	21,070
Village Hall			
Contractual Services	20,650	19,770	19,390
Supplies and Materials	3,190	3,200	3,270
Capital Outlay	6,170	7,790	120
Total Village Hall	30,010	30,760	22,780
Administration			
Personal Services	70,140	72,380	81,590
Travel and Transportation	0	20	50
Contractual Services	4,510	4,500	760
Supplies and Materials	4,550	3,370	7,070
Capital Outlay	0	0	0
Total Administration	79,200	80,270	89,470
Library			
Contractual Services	8,430	6,010	4,870
Other General Government			
Contractual Services	11,590	8,760	9,400
Supplies and Materials	0	0	0
Other	387,800	189,540	303,730
Total Other General Government	399,390	198,300	313,130
Total General Government	606,820	400,010	519,550

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$7,130 0	\$7,350 0	\$7,570 0	\$7,800 0	\$8,030 0
7,130	7,350	7,570	7,800	8,030
21,640 900 420 1,070	22,290 950 460 1,130	22,960 990 510 1,190	23,650 1,040 560 1,240	24,360 1,090 620 1,300
24,030	24,830	25,650	26,490	27,370
21,180 3,430 54,500	19,190 3,600 10,000	19,540 3,780 15,000	19,900 3,970 20,000	20,270 4,170 0
79,110	32,790	38,320	43,870	24,440
70,720 500 8,370 5,890 18,210	73,780 500 4,680 5,730 0	77,000 500 4,890 5,970 0	80,380 500 5,110 6,230 0	83,940 500 5,340 6,500 0
103,690	84,690	88,360	92,220	96,280
6,230	5,890	5,990	6,090	6,200
8,110 8,000 293,690	4,550 8,400 293,690	4,800 8,820 293,690	5,050 9,260 293,690	5,320 9,720 293,690
309,800	306,640	307,310	308,000	308,730
583,190	526,260	528,010	570,070	527,450

Village of Leipsic, Putnam 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)			
Debt Service			
Principal Retirement	\$20,000	\$40,000	\$40,000
Total Expenditures	1,088,910	829,010	1,067,450
Excess of Revenues Under Expenditures	(853,580)	(580,320)	(847,980)
Other Financing Sources			
Transfers In	668,760	666,990	831,080
Changes in Fund Balance	(184,820)	86,670	(16,900)
Fund Balance Beginning of Year	758,160	573,340	660,010
Fund Balance End of Year	\$573,340	\$660,010	\$643,110

<u>2017</u> <u>Forecasted</u>	<u>2018</u> <u>Forecasted</u>	<u>2019</u> <u>Forecasted</u>	<u>2020</u> <u>Forecasted</u>	<u>2021</u> <u>Forecasted</u>
<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$16,670</u>	<u>\$0</u>
<u>1,187,090</u>	<u>1,092,230</u>	<u>1,076,550</u>	<u>1,094,660</u>	<u>1,067,600</u>
(979,400)	(884,450)	(868,700)	(886,750)	(859,620)
<u>928,430</u>	<u>1,006,040</u>	<u>886,350</u>	<u>828,210</u>	<u>930,050</u>
(50,970)	121,590	17,650	(58,540)	70,430
<u>643,110</u>	<u>592,140</u>	<u>713,730</u>	<u>731,380</u>	<u>672,840</u>
<u>\$592,140</u>	<u>\$713,730</u>	<u>\$731,380</u>	<u>\$672,840</u>	<u>\$743,270</u>

Village of Leipsic, Putnam 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 Fund			
	2014	2015	2016
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenues</b>			
Intergovernmental	\$117,270	\$117,540	\$120,240
Interest	20	20	70
Other Revenues	<u>12,130</u>	<u>2,900</u>	<u>15,170</u>
<b>Total Revenues</b>	<u>129,420</u>	<u>120,460</u>	<u>135,480</u>
<b>Expenditures</b>			
Street Maintenance			
Personal Services	144,150	159,590	162,190
Contractual Services	27,580	32,910	24,410
Supplies and Materials	28,400	19,340	22,150
Capital Outlay	<u>49,780</u>	<u>35,560</u>	<u>32,240</u>
<b>Total Expenditures</b>	<u>249,910</u>	<u>247,400</u>	<u>240,990</u>
Excess of Revenues Under Expenditures	(120,490)	(126,940)	(105,510)
<b>Other Financing Sources</b>			
Transfers In	<u>99,650</u>	<u>134,760</u>	<u>297,970</u>
Changes in Fund Balance	(20,840)	7,820	192,460
Fund Balance Beginning of Year	<u>49,860</u>	<u>29,020</u>	<u>36,840</u>
Fund Balance End of Year	<u><u>\$29,020</u></u>	<u><u>\$36,840</u></u>	<u><u>\$229,300</u></u>

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$120,240	\$120,240	\$120,240	\$120,240	\$120,240
10	0	0	0	0
25,870	3,000	3,000	3,000	3,000
146,120	123,240	123,240	123,240	123,240
158,040	164,100	170,430	177,060	184,020
28,410	28,210	29,190	30,210	31,290
23,600	24,780	26,020	27,320	28,690
143,600	50,000	70,000	140,000	50,000
353,650	267,090	295,640	374,590	294,000
(207,530)	(143,850)	(172,400)	(251,350)	(170,760)
89,820	32,260	172,400	251,350	170,760
(117,710)	(111,590)	0	0	0
229,300	111,590	0	0	0
\$111,590	\$0	\$0	\$0	\$0

Village of Leipsic, Putnam 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

Capital Projects - C Fund

	2014 Actual	2015 Actual	2016 Actual
Revenues			
Intergovernmental	\$0	\$0	\$0
Expenditures			
Capital Outlay	0	0	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

<u>2017</u> <u>Forecasted</u>	<u>2018</u> <u>Forecasted</u>	<u>2019</u> <u>Forecasted</u>	<u>2020</u> <u>Forecasted</u>	<u>2021</u> <u>Forecasted</u>
\$70,000	\$0	\$0	\$0	\$0
<u>70,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Village of Leipsic, Putnam 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

Capital Projects - D Fund

	2014 Actual	2015 Actual	2016 Actual
Revenues			
Other Revenues	\$7,500	\$7,200	\$10,220
Expenditures			
Community Environment			
Contractual Services	75,000	0	3,020
Changes in Fund Balance	(67,500)	7,200	7,200
Fund Balance Beginning of Year	98,200	30,700	37,900
Fund Balance End of Year	\$30,700	\$37,900	\$45,100

<u>2017</u> <u>Forecasted</u>	<u>2018</u> <u>Forecasted</u>	<u>2019</u> <u>Forecasted</u>	<u>2020</u> <u>Forecasted</u>	<u>2021</u> <u>Forecasted</u>
<u>\$7,200</u>	<u>\$7,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>4,200</u>	<u>4,200</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>45,100</u>	<u>49,300</u>	<u>53,500</u>	<u>53,500</u>	<u>53,500</u>
<u><u>\$49,300</u></u>	<u><u>\$53,500</u></u>	<u><u>\$53,500</u></u>	<u><u>\$53,500</u></u>	<u><u>\$53,500</u></u>

Village of Leipsic, Putnam 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

Wastewater Fund

	2014 Actual	2015 Actual	2016 Actual
<b>Revenues</b>			
Charges for Services	\$1,085,380	\$1,106,280	\$1,195,380
OWDA Loan Proceeds	0	0	114,830
Grants	0	20,000	0
Interest	90	200	280
Other Revenues	6,540	1,560	27,290
<b>Total Revenues</b>	<b>1,092,010</b>	<b>1,128,040</b>	<b>1,337,780</b>
<b>Expenses</b>			
<b>Administration</b>			
Personal Services	35,880	37,860	42,010
Contractual Services	4,180	4,190	400
Supplies and Materials	3,150	3,440	3,100
Capital Outlay	0	0	0
<b>Total Administration</b>	<b>43,210</b>	<b>45,490</b>	<b>45,510</b>
<b>Sewer Department</b>			
Personal Services	187,740	203,740	199,100
Travel and Transportation	490	730	270
Contractual Services	140,240	157,540	127,920
Supplies and Materials	42,010	37,600	39,430
Capital Outlay	89,670	33,090	223,520
Other	23,320	29,350	26,460
<b>Total Sewer Department</b>	<b>483,470</b>	<b>462,050</b>	<b>616,700</b>
<b>Sewer Distribution</b>			
Contractual Services	0	0	0
Supplies and Materials	0	0	0
Capital Outlay	0	0	0
<b>Total Sewer Distribution</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenses</b>	<b>526,680</b>	<b>507,540</b>	<b>662,210</b>
<b>Changes in Fund Balance</b>	<b>565,330</b>	<b>620,500</b>	<b>675,570</b>
Transfers Out	(419,300)	(381,210)	(390,380)
<b>Fund Balance Beginning of Year</b>	<b>43,040</b>	<b>189,070</b>	<b>428,360</b>
<b>Fund Balance End of Year</b>	<b>\$189,070</b>	<b>\$428,360</b>	<b>\$713,550</b>

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$1,228,240	\$1,265,070	\$1,303,010	\$1,342,080	\$1,382,330
0	0	0	0	0
0	0	0	0	0
360	440	500	560	620
2,560	0	0	0	0
1,231,160	1,265,510	1,303,510	1,342,640	1,382,950
37,040	38,570	40,180	41,880	43,660
7,850	4,240	4,460	4,680	4,910
3,550	3,730	3,920	4,110	4,320
18,580	0	0	0	0
67,020	46,540	48,560	50,670	52,890
200,630	208,700	217,170	226,070	235,420
280	290	310	320	340
155,690	138,810	142,570	146,500	150,620
44,840	47,080	49,440	51,910	54,500
35,000	75,000	80,000	100,000	0
26,220	28,840	31,720	34,890	38,380
462,660	498,720	521,210	559,690	479,260
150	160	170	170	180
2,800	2,940	3,090	3,240	3,400
0	0	17,500	25,000	0
2,950	3,100	20,760	28,410	3,580
532,630	548,360	590,530	638,770	535,730
698,530	717,150	712,980	703,870	847,220
(308,820)	(224,820)	(296,020)	(293,420)	(289,920)
713,550	1,103,260	1,595,590	2,012,550	2,423,000
\$1,103,260	\$1,595,590	\$2,012,550	\$2,423,000	\$2,980,300

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

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**Note 1 - The Village**

The Village of Leipsic (the Village) is located in northwest Ohio in Putnam 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, Leipsic 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 Leipsic provides general government services including street and state highway maintenance and repair, police and fire protection, parks, and water and sewer 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 September 16, 2010, the Auditor of State's office declared the Village of Leipsic 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/expenses, and changes in fund balances for the forecast period. Accordingly, the forecast reflects the Village's judgment, as of September 6, 2017, 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 Leipsic, this consists of the General Fund; Street Fund; Capital Projects - C Fund; Capital Projects - D Fund; and the Wastewater Fund.

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

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**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 revenues 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 Leipsic, Putnam County  
Summary of Significant Accounting Policies and Forecast Assumptions  
For the Years Ending December 31, 2017, through 2021

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**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 Putnam 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 Leipsic, Putnam County  
 Summary of Significant Accounting Policies and Forecast Assumptions  
 For the Years Ending December 31, 2017, through 2021

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**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 2011 for taxes collected in 2012, and the triennial update took place in 2014 for taxes collected in 2015. The next reappraisal scheduled for 2017.

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	\$19,966,160	\$19,984,030	\$20,983,550	\$21,197,100
Commercial and Industrial	11,783,110	11,953,750	12,178,590	12,166,910
Public Utility Property				
Personal	3,199,770	4,483,630	4,964,730	5,135,970
Total Assessed Value	<u>\$34,949,040</u>	<u>\$36,421,410</u>	<u>\$38,126,870</u>	<u>\$38,499,980</u>

Property tax revenues are generated from the inside millage and receipted into the General Fund, as well as from voted levies for operations receipted in the General Fund and the fire levy in the Fire 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	\$1.95
Inside Millage*	General	n/a	n/a	n/a	n/a	0.25
Current Expense	General	1976	2014	2015	2019	1.60
Current Expense	General	1988	2013	2014	2018	0.60
Fire	Fire	1989	2014	2015	2019	2.00
Total						<u>\$6.40</u>

\*indicates inside millage from the taxing district in Van Buren Township only

For the forecast period, the operating and fire voted levies are expected to be renewed when they expire.

Public utility real taxes are collected and settled by the County with real estate taxes and are recorded as general property taxes.

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

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

Real Property - All property tax revenue has been collected for 2017. No change in real property taxes is expected over the remaining forecasted period as there is no growth anticipated in the Village. All voted levies are expected to be renewed when they expire.

**B. Municipal Income Taxes**

The Village levies a municipal income tax of 1.5 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 for the lesser of actual taxes paid to another municipality or 100 percent of the 1.5 percent tax rate on taxable income. 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 a renewal of the additional .5 percent income tax rate, effective January 1, 2016, for a ten-year period.

All income tax revenue is credited to the Income Tax Fund and then transferred to other funds after paying the costs of administering the tax. The 1 percent unvoted income tax is distributed to the General Fund and the Street Fund. The amount transferred to the Street Fund to subsidize operations is only the amount needed to keep the fund balance from a deficit balance. Of the .5 percent voted income tax, 91 percent is transferred to the Reservoir Debt Fund and 9 percent is transferred to the Blighted Properties Fund. 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.

**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 amounts received in 2017. The property values are expected to remain largely the same through 2021. All voted levies are expected to be renewed when they expire.

Village of Leipsic, Putnam County  
Summary of Significant Accounting Policies and Forecast Assumptions  
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**Note 5 - Specific Fund Revenue Assumptions** (continued)

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. Actual amounts for 2014 through 2016 varied based on amounts received from the Edwards Grant, a local grant program. The Village is unable to determine if any amount will be received from this grant in future years; therefore, no amount is forecasted.

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 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.

Other Revenues - Other revenues include various reimbursements for work performed and the sale of property and inventory (such as selling excess road salt). These revenue sources have fluctuated significantly from year to year. The forecasted amount for 2017 is based on the expected sale of equipment. Amounts forecasted for 2018 through 2021 are forecasted conservatively due to the inconsistency of this revenue source.

**C. Capital Projects - C Fund**

Intergovernmental - Intergovernmental revenue consists of grants from the Ohio Public Works Commission. The amount forecasted for 2017 represents the amount granted to the Village for the 2017 Street Resurfacing Project. No additional grants are anticipated throughout the forecast period.

**C. Capital Projects - D Fund**

Other Revenues - Other revenues consist of monies generated from leasing property to a wind farm company. The lease will be terminated after 2018.

**D. Wastewater Fund**

Charges for Services - Charges for services revenue is collected from sewer utility customers based on a base rate for the first 300 cubic feet of usage and a usage charge for each additional 100 cubic feet. The Village will increase both rates by 3 percent each year of the forecasted period.

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**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.

The Mayor's annual salary is \$4,000 and is paid from the General Fund.

A three percent increase in salaries is expected each year 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 and life insurance to most employees through Anthem.

The Mayor, council members, and 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. All of the Village's firefighters are volunteers and pay into either OPERS or 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 four 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 and life insurance plans. The Village pays 100 percent of the insurance premiums. The Village expects insurance costs to increase an average of 8 percent per year throughout the forecast period based on the insurance premiums quoted for 2017.

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

**B. Contractual Services**

Contractual services include property and liability insurance, utility charges (telephone, internet, electric, water, sewer, and natural gas), 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 10 percent annually based upon historical trend.

Accounting and auditing services are forecasted every other year based on the Village's contract with their audit firm.

Utility costs for 2017 are based on contracted usage rates that the Village has entered into with their providers. Electric rates are set for 2017 and the contracted rate for the remainder of the forecast period is 30 percent lower than the current rate. The natural gas rate is set through 2018 and the current rate is anticipated throughout the remainder of the forecasted period. Water and sewer utilities were forecasted with an annual 3 percent increase based on the anticipated annual increases in rates charged by the Village. Utility costs are subject to fluctuation due to weather and other factors.

**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 generally anticipated to increase approximately 5 percent per year to allow for the replenishment of supplies. Within the General Fund, Other General Government program, the Village intends to resume mosquito spraying.

**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 forecasted funds is as follows.

Department/Description	Year				
	2017	2018	2019	2020	2021
General Fund					
Police					
Police Cruiser	\$30,000	\$0	\$0	\$0	\$30,000
Park					
Drainage	50,000	0	0	0	0
Pave Parking Lot	25,000	0	0	0	0
Renovate Tennis Court	0	50,000	0	0	0
Replace Playground Equipment	0	20,000	0	20,000	0
Mowers	0	0	12,000	0	0
Construct New Shelter House	0	0	20,000	0	0
Total Park	75,000	70,000	32,000	20,000	0

(continued)

Village of Leipsic, Putnam County  
 Summary of Significant Accounting Policies and Forecast Assumptions  
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**Note 6 - General Expenditure Assumptions - All Funds** (continued)

Department/Description	Year				
	2017	2018	2019	2020	2021
<b>General Fund (continued)</b>					
Pool					
Repair Pool Facilities	\$10,000	\$5,000	\$10,000	\$5,000	\$10,000
Village Hall					
Service Elevator	29,500	0	0	0	0
Replace Roof	25,000	0	0	0	0
Tuck Point Exterior	0	10,000	0	0	0
Renovate Interior	0	0	15,000	20,000	0
Total Village Hall	54,500	10,000	15,000	20,000	0
Administration					
Upgrade Server	6,000	0	0	0	0
Upgrade Software	12,210	0	0	0	0
Total Administration	18,210	0	0	0	0
Total General Fund	\$187,710	\$85,000	\$57,000	\$45,000	\$40,000
Street					
Truck	\$15,000	\$0	\$20,000	\$0	\$0
Repave Streets	122,600	50,000	0	120,000	50,000
Repair Manholes	0	0	0	20,000	0
Dump Truck	0	0	50,000	0	0
Upgrade Server	6,000	0	0	0	0
Total Street	\$143,600	\$50,000	\$70,000	\$140,000	\$50,000
Capital Projects - C					
Repave Streets	\$70,000	\$0	\$0	\$0	\$0
Wastewater					
Administration					
Upgrade Server	\$6,000	\$0	\$0	\$0	\$0
Upgrade Software	12,580	0	0	0	0
Total Administration	18,580	0	0	0	0
Sewer Department					
Skid Loader	0	0	80,000	0	0
Pickup Truck	35,000	0	0	0	0
Pave Drive	0	60,000	0	0	0
Mower	0	15,000	0	0	0
Telemetry for Lift Stations	0	0	0	100,000	0
Total Sewer Department	35,000	75,000	80,000	100,000	0
Sewer Distribution					
Van	0	0	17,500	0	0
Upgrade Galvanized Piping	0	0	0	25,000	0
Total Sewer Distribution	0	0	17,500	25,000	0
Total Wastewater	\$53,580	\$75,000	\$97,500	\$125,000	\$0

Village of Leipsic, Putnam County  
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**Note 7 - Transfers**

All income tax revenue is credited to the Income Tax Fund and then transferred to other funds after paying the costs of administering the tax. The 1 percent unvoted income tax is distributed to the General Fund and the Street Fund. The amount transferred to the Street Fund to subsidize operations is only the amount needed to keep the fund balance from a deficit balance. Of the .5 percent voted income tax, 91 percent is transferred to the Reservoir Debt Fund and 9 percent is transferred to the Blighted Properties Fund.

The Wastewater Fund makes transfers to the Wastewater Debt Fund as debt payments become due.

**Note 8 - Other Funds**

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.

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# Dave Yost • Auditor of State

VILLAGE OF LEIPSIC

PUTNAM COUNTY

## CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
NOVEMBER 16, 2017