

**VILLAGE OF MILLERSPORT**

**AUDIT REPORT**

**JANUARY 1, 2016 - DECEMBER 31, 2017**

**Wilson, Phillips & Agin, CPA's, Inc.  
1100 Brandywine Blvd. Building G  
Zanesville, Ohio 43701**





# Dave Yost • Auditor of State

Village Council  
Village of Millersport  
2245 Refugee Street  
Millersport, Ohio 43046

We have reviewed the *Independent Auditors' Report* of the Village of Millersport, Fairfield County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2016 through December 31, 2017. 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 Millersport is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

June 26, 2018

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**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY  
JANUARY 1, 2016 - DECEMBER 31, 2017**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Village of Millersport  
Fairfield County  
2245 Refugee Street  
Millersport, Ohio 43046

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 Millersport, Fairfield County, as of and for the years ended December 31, 2017 and 2016.

**Management's Responsibility For the Financial Statements**

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 2 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, to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory basis of accounting and GAAP are not reasonably determinable, are presumed to be 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 permitted 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 of Millersport as of December 31, 2017 and 2016, or changes in financial position or cash flows 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 Millersport, Fairfield County as of December 31, 2017 and 2016, 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 2.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated May 2, 2018, on our consideration of the Village of Millersport's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
May 2, 2018



**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Property Taxes	\$ 90,193	\$ 127,478	\$ -	\$ 217,671
Municipal Income Tax	204,209	-	-	204,209
Intergovernmental	26,462	280,608	-	307,070
Charges for Services	-	799,265	-	799,265
Fines, Licenses, Permits	36,916	-	-	36,916
Earnings on Investments	7,460	247	-	7,707
Miscellaneous	8,173	9,539	25	17,737
<b>Total Cash Receipts</b>	<u>373,413</u>	<u>1,217,137</u>	<u>25</u>	<u>1,590,575</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	66,819	911,911	-	978,730
Public Health	4,729	6,720	-	11,449
Leisure Time Activities	1,043	-	-	1,043
Transportation	-	107,080	-	107,080
General Government	190,142	-	-	190,142
Debt Service:				
Principal Retirement	15,323	133,656	-	148,979
Interest and Fiscal Charges	6,460	20,776	-	27,236
Capital Outlay	20,973	491,041	219	512,233
<b>Total Cash Disbursements</b>	<u>305,489</u>	<u>1,671,184</u>	<u>219</u>	<u>1,976,892</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	67,924	(454,047)	(194)	(386,317)
<b>Other Financing Receipts (Disbursements)</b>				
Debt Proceeds	-	208,247	-	208,247
<b>Total Financing Receipts (Disbursements)</b>	-	208,247	-	208,247
<b>Net Change in Fund Cash Balance</b>	67,924	(245,800)	(194)	(178,070)
<b>Fund Cash Balances, January 1, restated</b>	<u>331,669</u>	<u>843,299</u>	<u>893</u>	<u>1,175,861</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	597,499	699	598,198
Unassigned (Deficit)	399,593	-	-	399,593
<b>Fund Cash Balances, December 31</b>	<u>\$ 399,593</u>	<u>\$ 597,499</u>	<u>\$ 699</u>	<u>\$ 997,791</u>

See notes to financial statements.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**FINANCIAL STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Enterprise
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 1,167,310
<b>Total Operating Cash Receipts:</b>	1,167,310
 <b>Operating Cash Disbursements:</b>	
Personal Services	229,976
Fringe Benefits	72,932
Contractual Services	173,976
Supplies and Materials	220,135
<b>Total Operating Cash Disbursements</b>	697,019
 <b>Operating Income</b>	470,291
 <b>Non-Operating Receipts/(Disbursements)</b>	
Miscellaneous Receipts	13,694
Capital Outlay	(10,278)
Principal Retirement	(288,502)
Interest and Other Fiscal Charges	(97,089)
<b>Total Non-Operating Receipts/(Disbursements)</b>	(382,175)
 <b>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</b>	88,116
 <b>Transfers In</b>	934,402
<b>Transfers Out</b>	(934,402)
 <b>Net Change in Cash Fund Balance</b>	88,116
 <b>Fund Cash Balances, January 1</b>	616,257
 <b>Fund Cash Balances, December 31</b>	\$ 704,373

See notes to financial statements.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Millersport, Fairfield County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government, including water and sewer utilities, street maintenance, park operations, police services and fire and EMS services. The Village provides fire protection services to Walnut Township.

The Village participates in a related organization. Note 11 to the financial statements provides additional information for this entity.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary fund types which are organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

**Governmental Funds**

**General Fund**

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

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

**Fire Fund** – This fund is used to account for monies received from Walnut Township for fire services.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Projects Fund:

**Veterans Memorial Fund** - This fund was established to collect revenue for the purchase on name engraved bricks for the floor of the Veterans Memorial.

**Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

**Water Fund** – This fund receives charges for services from residents to cover the cost of providing this utility.

**Sewer Fund** – This fund receives charges for services from residents to cover the cost of providing this utility.

***Basis of Accounting***

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

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

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain Agency Funds) be budgeted annually.

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated in the subsequent year.

A summary of 2017 budgetary activity appears in Note 3.

***Deposits and Investments***

The Village's accounting basis includes investment as assets. This basis does not record disbursement 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 values certificates of deposits at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

***Property, Plant, and Equipment***

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

***Accumulated Leave***

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

***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:

**Nonspendable** – The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**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.

**Committed** – Council can *commit* via formal action (resolution). The Village must adhere to these commitments unless 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.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 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 ordinance, or by State Statute.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2017 is as follows:

<b>2017 Budgeted vs. Actual Receipts</b>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 189,477	\$ 373,413	\$ 183,936
Special Revenue	1,414,453	1,425,384	10,931
Capital Projects	-	25	25
Enterprise	2,162,125	2,115,406	(46,719)
Total	<u>\$ 3,766,055</u>	<u>\$ 3,914,228</u>	<u>\$ 148,173</u>

<b>2017 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 434,863	\$ 305,489	\$ 129,374
Special Revenue	1,743,948	1,671,184	72,764
Capital Projects	300	219	81
Enterprise	2,246,728	2,027,290	219,438
Total	<u>\$ 4,425,839</u>	<u>\$ 4,004,182</u>	<u>\$ 421,657</u>

Contrary to ORC 5705.41(D), the Village made expenditures without prior certification.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**4. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2017</u>
Demand Deposits	\$ 1,202,148
Certificates of Deposit	<u>133,198</u>
Total Deposits	<u>1,335,346</u>
STAR Ohio	<u>366,818</u>
Total Deposits and Investments	<u><u>\$ 1,702,164</u></u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institutions 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.

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by December 31. The second half payment is due the following June 20.

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

**6. LOCAL INCOME TAX**

The Village levies a municipal income tax of 1.00 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**8. DEFINED BENEFIT PENSION PLAN**

*Ohio Public Employees Retirement System*

Some of the Village's full-time employees belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes the plan benefits, which include postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2017, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.0% of participant's gross salaries. The Village has paid all contributions required through December 31, 2017.

*Ohio Police and Fire Retirement*

The Village's certified Fire Fighters and full-time police officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants, in 2017, contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police officer's wages and 24.0% of full-time fire-fighters wages, respectively. The Village has paid all contributions required through December 31, 2017.

*Social Security*

Several Village employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

**9. 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 Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits and OP&F contributes 0.5 percent to fund these benefits.



**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**10. DEBT**

Debt outstanding at December 31, 2017 was as follows:

	2017	
	<u>Principal</u>	<u>%</u>
1981 USDA Water Bond 91-02	\$ 127,000	5.00
1986 USDA Water Bond 91-03	35,200	7.38
1996 OWDA 2050	52,393	6.04
1998 OWDA 2051	4,994	6.00
2000 OPWC CT61C	57,903	2.00
2002 OWDA 3504	109,100	2.00
2002 OWDA 3401	30,638	4.00
2003 OWDA 3983	80,140	2.00
2004 OPWC CT80F	35,977	2.00
2008 OPWC CT42J	412,381	5.00
2009 OPWC CQ05K	39,611	0.00
2009 Street Dump Truck	8,065	5.00
2009 OWDA 4598	3,137,580	0.00
2010/2011 OWDA 5274	349,491	0.00
2010/2011 OWDA 5697	226,382	2.00
2011 OPWC CQ29L	113,707	2.00
2012 General Fund Land Loan	183,709	3.25
2012 Water Fund land Loan	13,978	3.25
2013 Fire Truck	241,385	3.47
2016 Fire Medic	139,566	2.96
2016 Medic Cot	40,677	0.00
2016 Fire Tanker	206,084	2.71
Total	<u>\$ 5,645,961</u>	

The Ohio Water Development Authority (OWDA) loans and the Ohio Public Works Commission (OPWC) loans above are all part of the Water Plant Construction, Water System Expansion, and Wastewater Plant Improvements Design. The Village will repay the loans in semiannual installments. The OWDA will adjust the scheduled payment to reflect any revisions in the amounts the Village actually borrows. Water and Sewer Receipts will collateralize the loans. The Village has agreed to set utility rates sufficient to cover OWDA and OPWC debt service requirements.

The 1981 and 1986 USDA Rural Development Mortgage Revenue Bonds relate to water system improvements.

The 2009 street dump truck is for the purchase of a dump truck for the street department. It will be repaid in 2018. The 2012 General and Water Land Loan was for the purchase of property in the village to be designated for future use. They will be repaid by 2027. The 2013 fire truck loan was for the purchase of a fire truck to be used by the fire department. It will be repaid in 2022. The 2016 Medic Squad loan is for the purchase of a medic squad for the fire department. It will be repaid in 2021. The 2016 Medic Cot Loan is for the purchase of a cot to be used by the medic squad in the fire department. It will be repaid in 2020. The 2016 Fire Tanker loan is for the purchase of a fire tanker to be used by the fire department. It will be repaid in 2028. The Village's taxing authority collateralizes the loans.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**10. DEBT (Continued)**

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

Year Ending December 31	OWDA #2050	OWDA #2051	OWDA #3504	OWDA #3401	OWDA #3983
2018	\$ 16,015	\$ 1,533	\$ 8,957	\$ 8,115	\$ 5,878
2019	16,299	1,555	8,957	8,162	5,878
2020	16,600	1,578	8,957	8,211	5,878
2021	8,378	795	8,957	8,264	5,878
2022	-	-	8,957	-	5,878
2023-2027	-	-	44,785	-	29,390
2028-2032	-	-	31,349	-	29,390
2033-2037	-	-	-	-	5,878
2038-2043	-	-	-	-	-
	<u>\$ 57,292</u>	<u>\$ 5,461</u>	<u>\$ 120,919</u>	<u>\$ 32,752</u>	<u>\$ 94,048</u>

Year Ending December 31	OWDA #5274	OWDA #4598	OWDA #5697	OPWC CQ05K	OPWC CQ29L
2018	\$ 27,959	\$ 187,310	\$ 6,558	\$ 3,444	\$ 4,641
2019	27,959	187,310	6,558	3,444	4,641
2020	27,959	187,310	6,558	3,444	4,641
2021	27,959	187,310	6,558	3,444	4,641
2022	27,959	187,310	6,558	3,444	4,641
2023-2027	139,795	936,550	32,790	17,220	23,205
2028-2032	69,898	936,550	32,790	5,171	23,205
2033-2037	-	936,550	32,790	-	23,205
2038-2043	-	187,310	26,232	-	20,887
	<u>\$ 349,488</u>	<u>\$3,933,510</u>	<u>\$ 157,392</u>	<u>\$ 39,611</u>	<u>\$ 113,707</u>

Year Ending December 31	OPWC CT42J	OPWC CT61C	OPWC CT80F	Fire Medic	Water Bonds
2018	\$ 32,990	\$ 13,519	\$ 5,930	\$ 39,633	\$ 52,946
2019	32,990	13,519	5,930	39,633	52,951
2020	32,990	13,519	5,930	39,633	53,834
2021	32,990	6,760	5,930	39,633	6,645
2022	32,990	-	5,930	-	6,676
2023-2027	164,950	-	8,895	-	13,236
2028-2032	82,481	-	-	-	-
2033-2037	-	-	-	-	-
2038-2043	-	-	-	-	-
	<u>\$ 412,381</u>	<u>\$ 47,317</u>	<u>\$ 38,545</u>	<u>\$ 158,532</u>	<u>\$ 186,288</u>

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**10. DEBT (Continued)**

Year Ending December 31	Fire COT	Fire Tanker	Land Loans	Fire Truck
2017	\$ 10,169	\$ 22,297	\$ 31,446	\$ 51,376
2018	10,169	22,297	21,783	51,376
2019	10,170	22,297	21,783	51,376
2020	-	22,297	21,783	51,376
2021	-	22,297	21,783	51,376
2022-2026	-	111,485	108,915	-
2027-2031	-	23,297	-	-
2032-2036	-	-	-	-
2037-2042	-	-	-	-
	<u>\$ 30,508</u>	<u>\$ 246,267</u>	<u>\$ 227,493</u>	<u>\$ 256,880</u>

**11. RELATED ORGANIZATION**

*Fairfield County Regional Planning Commission*

The Village appoints a representative to the 48 member board of the Fairfield County Regional Planning Commission. The Village pays a membership fee annually. The fee is based on the per capita of the Village's population. There is no ongoing financial interest of responsibility by the Village.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Property Taxes	\$ 92,465	\$ 132,090	\$ -	\$ 224,555
Municipal Income Tax	47,257	-	-	47,257
Intergovernmental	24,463	69,382	-	93,845
Charges for Services	-	839,150	-	839,150
Fines, Licenses, Permits	31,714	-	-	31,714
Earnings on Investments	5,149	193	-	5,342
Miscellaneous	7,094	195,784	90	202,968
<b>Total Cash Receipts</b>	<u>208,142</u>	<u>1,236,599</u>	<u>90</u>	<u>1,444,831</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	40,971	674,877	-	715,848
Public Health	4,839	-	-	4,839
Leisure Time Activities	4,466	-	-	4,466
Transportation	-	100,238	-	100,238
General Government	95,452	-	-	95,452
Debt Service:				
Principal Retirement	29,903	138,150	-	168,053
Interest and Fiscal Charges	7,692	19,860	-	27,552
Capital Outlay	-	294,932	-	294,932
<b>Total Cash Disbursements</b>	<u>183,323</u>	<u>1,228,057</u>	<u>-</u>	<u>1,411,380</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	24,819	8,542	90	33,451
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	264,883	11,550	-	276,433
Debt Proceeds	-	276,695	-	276,695
<b>Total Financing Receipts (Disbursements)</b>	<u>264,883</u>	<u>288,245</u>	<u>-</u>	<u>553,128</u>
<b>Net Change in Fund Cash Balance</b>	289,702	296,787	90	586,579
<b>Fund Cash Balances, January 1,</b>	<u>41,967</u>	<u>545,481</u>	<u>803</u>	<u>588,251</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	842,268	893	843,161
Unassigned (Deficit)	331,669	-	-	331,669
<b>Fund Cash Balances, December 31</b>	<u>\$ 331,669</u>	<u>\$ 842,268</u>	<u>\$ 893</u>	<u>\$ 1,174,830</u>

See notes to financial statements.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

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

	Enterprise
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 1,186,541
<b>Total Operating Cash Receipts:</b>	1,186,541
 <b>Operating Cash Disbursements:</b>	
Personal Services	227,886
Fringe Benefits	64,750
Contractual Services	230,853
Supplies and Materials	454,638
<b>Total Operating Cash Disbursements</b>	<b>978,127</b>
 <b>Operating Income</b>	 208,414
 <b>Non-Operating Receipts/(Disbursements)</b>	
Miscellaneous Receipts	194
Capital Outlay	(8,995)
Principal Retirement	(257,621)
Interest and Other Fiscal Charges	(99,088)
<b>Total Non-Operating Receipts/(Disbursements)</b>	<b>(365,510)</b>
 <b>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</b>	 <b>(157,096)</b>
 <b>Transfers In</b>	 938,268
<b>Transfers Out</b>	<b>(938,268)</b>
 <b>Net Change in Cash Fund Balance</b>	 <b>(157,096)</b>
 <b>Fund Cash Balances, January 1</b>	 <b>773,353</b>
 <b>Fund Cash Balances, December 31</b>	 <b>\$ 616,257</b>

See notes to financial statements.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

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

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Millersport, Fairfield County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government, including water and sewer utilities, street maintenance, park operations, police services and fire and EMS services. The Village provides fire protection services to Walnut Township.

The Village participates in a related organization. Note 11 to the financial statements provides additional information for this entity.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary fund types which are organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

**Governmental Funds**

**General Fund**

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

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

**Fire Fund** – This fund is used to account for monies received from Walnut Township for fire services.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Projects Fund:

**Veterans Memorial Fund** - This fund was established to collect revenue for the purchase on name engraved bricks for the floor of the Veterans Memorial.

**Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

**Water Fund** – This fund receives charges for services from residents to cover the cost of providing this utility.

**Sewer Fund** – This fund receives charges for services from residents to cover the cost of providing this utility.

***Basis of Accounting***

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

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

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain Agency Funds) be budgeted annually.

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated in the subsequent year.

A summary of 2016 budgetary activity appears in Note 3.

***Deposits and Investments***

The Village's accounting basis includes investment as assets. This basis does not record disbursement 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 values certificates of deposits at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

***Property, Plant, and Equipment***

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

***Accumulated Leave***

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

***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:

**Nonspendable** – The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**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.

**Committed** – Council can *commit* via formal action (resolution). The Village must adhere to these commitments unless 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.



**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 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 ordinance, or by State Statute.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2016 is as follows:

<b>2016 Budgeted vs. Actual Receipts</b>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 413,529	\$ 473,025	\$ 59,496
Special Revenue	1,635,133	1,524,844	(110,289)
Capital Projects	-	90	90
Enterprise	2,244,678	2,125,003	(119,675)
Total	<u>\$ 4,293,340</u>	<u>\$ 4,122,962</u>	<u>\$ (170,378)</u>

<b>2016 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 414,541	\$ 183,323	\$ 231,218
Special Revenue	1,447,693	1,288,057	159,636
Enterprise	2,440,934	2,282,099	158,835
Total	<u>\$ 4,303,168</u>	<u>\$ 3,753,479</u>	<u>\$ 549,689</u>

Contrary to ORC 5705.41(D), the Village made expenditures without prior certification.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

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

**4. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2016</u>
Demand Deposits	\$ 1,295,313
Certificates of Deposit	<u>132,847</u>
Total Deposits	<u>1,428,160</u>
STAR Ohio	<u>362,927</u>
Total Deposits and Investments	<u><u>\$ 1,791,087</u></u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institutions 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.

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by December 31. The second half payment is due the following June 20.

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

**6. LOCAL INCOME TAX**

The Village levies a municipal income tax of 1.00 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

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

**8. DEFINED BENEFIT PENSION PLAN**

*Ohio Public Employees Retirement System*

Some of the Village's full-time employees belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes the plan benefits, which include postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2016, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.0% of participant's gross salaries. The Village has paid all contributions required through December 31, 2016.

*Ohio Police and Fire Retirement*

The Village's certified Fire Fighters and full-time police officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants, in 2016, contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police officer's wages and 24.0% of full-time fire-fighters wages, respectively. The Village has paid all contributions required through December 31, 2016.

*Social Security*

Several Village employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

**9. 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 Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits and OP&F contributes 0.5 percent to fund these benefits.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

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

**10. DEBT**

Debt outstanding at December 31, 2016 was as follows:

	2016	
	<u>Principal</u>	<u>%</u>
1981 USDA Water Bond 91-02	\$ 166,000	5.00
1986 USDA Water Bond 91-03	39,000	7.38
1996 OWDA 2050	65,519	6.04
1998 OWDA 2051	6,256	6.00
2000 OPWC CT61C	70,081	2.00
2002 OWDA 3504	116,339	2.00
2002 OWDA 3401	37,631	4.00
2003 OWDA 3983	84,352	2.00
2004 OPWC CT80F	41,110	2.00
2008 OPWC CT42J	445,371	5.00
2009 OPWC CQ05K	43,055	0.00
2009 Street Dump Truck	14,657	5.00
2009 OWDA 4598	3,255,152	0.00
2010/2011 OWDA 5274	377,450	0.00
2010/2011 OWDA 5697	233,668	2.00
2011 OPWC CQ29L	118,348	2.00
2012 General Fund Land Loan	199,032	3.25
2012 Water Fund land Loan	20,775	3.25
2013 Heart Monitor	16,807	3.00
2013 Fire Truck	283,195	3.47
2016 Fire Medic	173,284	2.96
2016 Medic Cot	50,846	0.00
2016 Fire Tanker	225,849	2.71
Total	<u>\$ 6,083,777</u>	

The Ohio Water Development Authority (OWDA) loans and the Ohio Public Works Commission (OPWC) loans above are all part of the Water Plant Construction, Water System Expansion, and Wastewater Plant Improvements Design. The Village will repay the loans in semiannual installments. The OWDA will adjust the scheduled payment to reflect any revisions in the amounts the Village actually borrows. Water and Sewer Receipts will collateralize the loans. The Village has agreed to set utility rates sufficient to cover OWDA and OPWC debt service requirements.

The 1981 and 1986 USDA Rural Development Mortgage Revenue Bonds relate to water system improvements.

The 2009 street dump truck is for the purchase of a dump truck for the street department. It will be repaid in 2018. The 2012 General and Water Land Loan was for the purchase of property in the village to be designated for future use. They will be repaid by 2027. The 2013 Heart monitor loan was for the purchase of a heart monitor to be used by the medic squad. It will be repaid in 2017. The 2013 fire truck loan was for the purchase of a fire truck to be used by the fire department. It will be repaid in 2022. The 2016 Medic Squad loan is for the purchase of a medic squad for the fire department. It will be repaid in 2021. The 2016 Medic Cot Loan is for the purchase of a cot to be used by the medic squad in the fire department. It will be repaid in 2020. The 2016 Fire Tanker loan is for the purchase of a fire tanker to be used by the fire department. It will be repaid in 2028. The Village's taxing authority collateralizes the loans.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

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

**10. DEBT (Continued)**

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

Year Ending December 31	OWDA #2050	OWDA #2051	OWDA #3504	OWDA #3401	OWDA #3983
2017	\$ 15,748	\$ 1,512	\$ 8,957	\$ 8,070	\$ 5,878
2018	16,015	1,533	8,957	8,115	5,878
2019	16,299	1,555	8,957	8,162	5,878
2020	16,600	1,578	8,957	8,211	5,878
2021	8,378	795	8,957	8,264	5,878
2022-2026	-	-	44,785	-	29,390
2027-2031	-	-	40,306	-	29,390
2032-2036	-	-	-	-	11,756
2037-2042	-	-	-	-	-
	<u>\$ 73,040</u>	<u>\$ 6,973</u>	<u>\$ 129,876</u>	<u>\$ 40,822</u>	<u>\$ 99,926</u>

Year Ending December 31	OWDA #5274	OWDA #4598	OWDA #5697	OPWC CQ05K	OPWC CQ29L
2017	\$ 27,959	\$ 187,310	\$ 6,558	\$ 3,444	\$ 4,641
2018	27,959	187,310	6,558	3,444	4,641
2019	27,959	187,310	6,558	3,444	4,641
2020	27,959	187,310	6,558	3,444	4,641
2021	27,959	187,310	6,558	3,444	4,641
2022-2026	139,795	936,550	32,790	17,220	23,205
2027-2031	97,857	936,550	32,790	8,615	23,205
2032-2036	-	936,550	32,790	-	23,205
2037-2042	-	374,620	32,790	-	25,528
	<u>\$ 377,447</u>	<u>\$4,120,820</u>	<u>\$ 163,950</u>	<u>\$ 43,055</u>	<u>\$ 118,348</u>

Year Ending December 31	OPWC CT42J	OPWC CT61C	OPWC CT80F	Fire Medic	Water Bonds
2017	\$ 32,990	\$ 13,519	\$ 5,930	\$ 39,633	\$ 53,976
2018	32,990	13,519	5,930	39,633	52,946
2019	32,990	13,519	5,930	39,633	52,951
2020	32,990	13,519	5,930	39,633	53,834
2021	32,990	6,760	5,930	39,633	6,645
2022-2026	164,950	-	14,825	-	19,912
2027-2031	115,471	-	-	-	-
2032-2036	-	-	-	-	-
2037-2042	-	-	-	-	-
	<u>\$ 445,371</u>	<u>\$ 60,836</u>	<u>\$ 44,475</u>	<u>\$ 198,165</u>	<u>\$ 240,264</u>

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

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

**10. DEBT (Continued)**

Year Ending December 31	Fire COT	Fire Tanker	Land Loans	Heart Monitor	Dump Truck
2017	\$ 10,169	\$ 22,297	\$ 31,446	\$ 17,375	\$ 8,450
2018	10,169	22,297	31,446	-	-
2019	10,169	22,297	21,783	-	-
2020	10,170	22,297	21,783	-	-
2021	-	22,297	21,783	-	-
2022-2026	-	111,485	108,915	-	-
2027-2031	-	44,594	21,783	-	-
2032-2036	-	-	-	-	-
2037-2042	-	-	-	-	-
	<u>\$ 40,677</u>	<u>\$ 267,564</u>	<u>\$ 258,939</u>	<u>\$ 17,375</u>	<u>\$ 8,450</u>

Year Ending December 31	Fire Truck
2017	\$ 51,376
2018	51,376
2019	51,376
2020	51,376
2021	51,376
2022-2026	51,376
2027-2031	-
2032-2036	-
2037-2042	-
	<u>\$ 308,256</u>

**11. RELATED ORGANIZATION**

*Fairfield County Regional Planning Commission*

The Village appoints a representative to the 48 member board of the Fairfield County Regional Planning Commission. The Village pays a membership fee annually. The fee is based on the per capita of the Village's population. There is no ongoing financial interest of responsibility by the Village.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

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

Village of Millersport  
Fairfield County  
2245 Refugee Street  
Millersport, Ohio 43046

To the Village Council:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Village of Millersport, Fairfield County as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated May 2, 2018, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered Village of Millersport's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions 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 a 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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider Finding 2017-001 to be a significant deficiency.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Village of Millersport'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 was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
May 2, 2018



**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016**

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

**FINDING NUMBER 2017-001**

**Significant Deficiency – Financial Reporting**

All local offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Village Officer's Handbook (Revised March 2013) provides suggested accounts classifications. These accounts classify receipts by fund and source (Taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications and the aforementioned accounting records will provide the Village with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

The Village did not properly post and classify all receipts and expenditures. Errors were made in recording various transactions. Amounts were not always posted to the correct fund and/or line item. The following adjustments were made.

Adjustments:

- In 2016, an adjustment was made to increase Debt Proceeds and Capital Outlay by \$50,846 to properly state new debt in the Fire Fund.

Client Response: We received no response from the client.

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# Dave Yost • Auditor of State

VILLAGE OF MILLERSPORT

FAIRFIELD COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JULY 10, 2018