

VILLAGE OF AMANDA

FAIRFIELD COUNTY, OHIO

**Financial Statements
(Audited)**

**For the Years Ended
December 31, 2019 and 2018**

OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Amanda
116 East Main Street
Amanda, Ohio 43102

We have reviewed the *Independent Auditor's Report* of the Village of Amanda, Fairfield County, prepared by Julian & Grube, Inc., for the audit period January 1, 2018 through December 31, 2019. 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 Amanda is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

November 17, 2020

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**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

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Independent Auditor's Report

Village of Amanda
Fairfield County
116 E. Main Street P.O. Box 250
Amanda, Ohio 43102

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 Amanda, Fairfield County, Ohio, as of and for the years ended December 31, 2019 and December 31, 2018.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village of Amanda'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 of Amanda's internal control. Accordingly, we express no such 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 of Amanda prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village of Amanda does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of Amanda as of December 31, 2019 and December 31, 2018, and the respective 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 cash balances, receipts and disbursements by fund type, and related notes of the Village of Amanda, Fairfield County as of December 31, 2019 and December 31, 2018, 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measure will impact subsequent period of the Village of Amanda. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2020, on our consideration of the Village of Amanda'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 of Amanda's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 24, 2020

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property and Other Local Taxes	\$ 28,175	\$ 1,970	\$ -	\$ 30,145
Municipal Income Tax	83,506	225,777	-	309,283
Intergovernmental	17,504	152,943	-	170,447
Charges for Services	93,349	-	-	93,349
Fines, Licenses, & Permits	1,162	-	-	1,162
Earnings on Investments	4,073	4,173	-	8,246
Miscellaneous	24,880	8,866	-	33,746
Total Cash Receipts	<u>252,649</u>	<u>393,729</u>	<u>-</u>	<u>646,378</u>
Cash Disbursements:				
Current:				
Security of Persons & Property	5,948	-	-	5,948
Public Health Services	7,190	-	-	7,190
Leisure Time Activities	6,078	7,959	-	14,037
Basic Utility Services	81,591	-	-	81,591
Transportation	-	226,410	-	226,410
General Government	95,553	1,640	-	97,193
Capital Outlay	-	126,652	-	126,652
Debt Service:				
Principal Retirement	-	122,533	-	122,533
Total Cash Disbursements	<u>196,360</u>	<u>485,194</u>	<u>-</u>	<u>681,554</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>56,289</u>	<u>(91,465)</u>	<u>-</u>	<u>(35,176)</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds	-	20,686	-	20,686
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>20,686</u>	<u>-</u>	<u>20,686</u>
Net Change in Fund Cash Balances	56,289	(70,779)	-	(14,490)
Fund Cash Balances, January 1, 2019	<u>237,536</u>	<u>526,381</u>	<u>667</u>	<u>764,584</u>
Fund Cash Balances, December 31, 2019				
Restricted	-	455,602	667	456,269
Assigned	255,776	-	-	255,776
Unassigned (Deficit)	38,049	-	-	38,049
Fund Cash Balances, December 31, 2019	<u>\$ 293,825</u>	<u>\$ 455,602</u>	<u>\$ 667</u>	<u>\$ 750,094</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS) - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2019

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 459,643
Total Operating Cash Receipts	459,643
Operating Cash Disbursements:	
Personal Services	52,511
Fringe Benefits	7,231
Contractual Services	95,087
Supplies and Materials	73,239
Total Operating Cash Disbursements	228,068
Operating Income (Loss)	231,575
Non-Operating Receipts (Disbursements):	
Earnings on Investments	293
Special Assessments	745
Debt Service:	
Principal Retirement	(116,175)
Interest	(63,234)
Total Non-Operating Receipts (Disbursements)	(178,371)
Net Change in Fund Cash Balances	53,204
Fund Cash Balances, January 1, 2019	545,967
Fund Cash Balances, December 31, 2019	\$ 599,171

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The Village of Amanda (the Village), Fairfield County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, water and sewer utilities and maintenance of Village roads.

The Village contracts with the Fairfield County Sheriff's department to provide security of persons and property. The Village contracts with Amanda Township to receive fire protection services.

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

Joint Governed Organization:
Fairfield County Regional Planning Commission

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

Note 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 balances (regulatory cash basis) for all governmental fund types, and a statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type 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:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Street Construction Maintenance and Repair This fund receives income taxes, gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village Streets.

Street Levy Fund This fund primarily receives property tax receipts to repair and improve the Village streets.

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Other Capital Project Fund This fund receives proceeds from Fairfield Medical Center used by the Village as design fees for the Medical Center.

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

Water Fund This fund receives charges for services from residents to cover the costs of providing the citizens of the Village with water services.

Sewer Fund This fund receives charges for services from residents to cover the costs of providing citizens of the Village with sewer services.

Sewer Debt Service Fund This fund receives monies from fees assessed to sewer users. The monies are used to retire debt incurred to operate the sewer system.

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 Section 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 Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund 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. Appropriations lapse at year end.

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

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

Property, Plant and Equipment

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

Accumulated Leave

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

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* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$200,384	\$252,649	\$52,265
Special Revenue	394,152	414,415	20,263
Enterprise	436,500	460,681	24,181
Total	\$1,031,036	\$1,127,745	\$96,709

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$437,920	\$196,360	\$241,560
Special Revenue	935,533	485,194	450,339
Enterprise	929,310	407,477	521,833
Total	\$2,302,763	\$1,089,031	\$1,213,732

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits

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

	<u>2019</u>
Demand deposits	\$1,289,728
Certificates of deposit	<u>59,537</u>
Total deposits	<u><u>\$1,349,265</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Local Income Taxes

Beginning in September 2015, The Village levied a municipal income tax of one 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.

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 – Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postemployment health care and survivor and disability benefits.

Contribution rates are also prescribed by the Ohio Revised Code. For the year ended December 31, 2019, OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

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, 2019.

Note 8 – Postemployment Benefits

OPERS 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. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019.

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt

Debt outstanding at December 31, 2019, was as follows:

	Principal	Interest Rate
Sewer Mortgage Revenue Bonds	\$ 494,400	5.50%
OWDA Loan #3985	71,087	5.01%
OWDA Loan #4667	1,380,551	1.50%
OWDA Loan #7046	640,659	1.57%
OPWC Loan #CQ38U	856	0.00%
OPWC Loan #CQ51V	64,731	0.00%
OPWC Loan #CQ11J	53,338	0.00%
OPWC Loan #CQ46W	20,686	0.00%
Total	\$ 2,726,308	

The Sewer Mortgage Revenue Bonds were obtained for the purpose of paying the costs of constructing the Village’s sewer system. The bonds will be repaid in over 40 years. The bonds are secured by sewer receipts. The Village has agreed to set utility rates sufficient to cover debt service requirements. The bonds will be retired from the Sewer Debt Service Fund and have an annual interest rate of 5.50 percent. The Sewer Mortgage Revenue Bond covenant requires the Village to establish and fund a sewer debt service reserve fund. The balance in this fund at December 31, 2019 is \$55,065.

Ohio Water Development Authority (OWDA) Loan (#3985) relates to the waterline construction. The OWDA approved \$109,999 in a loan related to this project. The Village repays the loan in semiannual installments of \$3,563, including interest over 30 years. Water receipts collateralize the loan. The Village has agreed to set utility rate sufficient to cover OWDA debt service requirements. The loan will be retired from the Water Fund and has an annual interest rate of 5.01 percent.

Ohio Water Development Authority (OWDA) Loan (#4667) relates to the water system improvements. The OWDA approved \$1,966,000 in a loan related to this project. The Village repays the loan in semiannual installments of \$41,888, including interest, over 30 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan will be retired from the Water Fund and has an annual interest rate of 1.50 percent.

Ohio Water Development Authority (OWDA) Loan (#7046) was issued in 2017 for the construction of a new water tower. The OWDA approved \$718,687 in a loan related to this project. The Village repays the loan in semiannual payments of \$14,388, including interest over 30 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan will be retired from the Water Fund and has an annual interest rate of 1.57 percent.

Ohio Public Works Commission (OPWC) Loan (CQ38U) relates to street improvements along Church Street. OPWC approved up to \$34,240 in a loan to the Village for this project. The Village repays the loan in semiannual installments of \$856 over 20 years. During 2019, the Village made an additional payment of \$30,816. The interest-free loan will be retired from the Street Levy Fund.

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Ohio Public Works Commission (OPWC) Loan (CQ51V) relates to street improvements along Lutz Avenue. OPWC approved up to \$68,539 in a loan to the Village for this project. The Village repays the loan in semiannual installments of \$1,904 over 18 years. The interest-free loan will be retired from the Street Levy Fund.

Ohio Public Works Commission (OPWC) Loan (CQ11J) relates to a water system improvements project. OPWC approved up to \$125,500 in a loan to the Village for this project. This loan was drawn down in 2008. The Village repays the loan in semiannual installments of \$3,138, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements. The interest-free loan will be retired from the Water Fund.

Ohio Public Works Commission (OPWC) Loan (CQ46W) relates to street improvements along School Street. OPWC approved up to \$20,686 in a loan to the Village for this project. The Village repays the loan in semiannual installments of \$1,293 over 16 years. The interest-free loan will be retired from the Street Levy Fund.

Amortization

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

Year Ending December 31:	Sewer Mortgage Revenue Bonds	
	Principal	Interest
2020	27,000	27,192
2021	28,500	25,707
2022	30,100	24,140
2023	31,800	22,484
2024	33,500	20,735
2025-2029	197,200	73,937
2030-2032	146,300	16,379
Total	<u>\$ 494,400</u>	<u>\$ 210,574</u>

Year Ending December 31:	OWDA Loans	
	Principal	Interest
2020	85,705	33,264
2021	87,137	31,869
2022	88,598	30,447
2023	90,088	28,998
2024	91,607	27,521
2025-2029	481,935	114,430
2030-2034	517,699	72,971
2035-2039	446,675	32,312
2040-2044	132,575	11,308
2045-2047	70,278	1,664
Total	<u>\$ 2,092,297</u>	<u>\$ 384,784</u>

Year Ending December 31:	OPWC Loans	
	Principal	Interest
2020	11,585	-
2021	11,376	-
2022	11,376	-
2023	11,376	-
2024	11,376	-
2025-2029	47,466	-
2030-2034	25,503	-
2035-2036	9,555	-
Total	<u>\$ 139,613</u>	<u>\$ -</u>

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 – Contingent Liabilities

At December 31, 2019, the Village was not involved in any lawsuits that would have a material adverse effect on the Village's financial position.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 – Jointly Governed Organizations

Fairfield County Regional Planning Commission

The Village appoints a member of Council to represent the Village on the 47 member board of the Fairfield County Regional Planning Commission. The Village pays a small membership fee annually based on the per capita of the Village. There is no ongoing financial responsibility by the Village.

Note 12 – Subsequent Events

The United States of America and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The Impact on the Village's future operating costs, receipts, and recovery from emergency funding, either federal or state cannot be estimated.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property and Other Local Taxes	\$ 26,801	\$ 2,134	\$ -	\$ 28,935
Municipal Income Tax	76,401	206,551	-	282,952
Intergovernmental	18,329	202,696	-	221,025
Charges for Services	82,766	-	17,974	100,740
Fines, Licenses, & Permits	1,525	-	-	1,525
Earnings on Investments	608	608	-	1,216
Miscellaneous	8,811	1,161	-	9,972
Total Cash Receipts	<u>215,241</u>	<u>413,150</u>	<u>17,974</u>	<u>646,365</u>
Cash Disbursements:				
Current:				
Security of Persons & Property	8,566	-	-	\$ 8,566
Public Health Services	5,147	-	-	5,147
Leisure Time Activities	2,756	-	-	2,756
Basic Utility Services	64,458	-	-	64,458
Transportation	-	162,568	17,604	180,172
General Government	63,292	2,038	-	65,330
Capital Outlay	-	260,015	-	\$ 260,015
Debt Service:				
Principal Retirement	-	36,914	-	36,914
Total Cash Disbursements	<u>144,219</u>	<u>461,535</u>	<u>17,604</u>	<u>623,358</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>71,022</u>	<u>(48,385)</u>	<u>370</u>	<u>23,007</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds	<u>-</u>	<u>101,779</u>	<u>-</u>	<u>101,779</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>101,779</u>	<u>-</u>	<u>101,779</u>
Net Change in Fund Cash Balances	71,022	53,394	370	124,786
Fund Cash Balances, January 1, 2018	<u>166,514</u>	<u>472,987</u>	<u>297</u>	<u>639,798</u>
Fund Cash Balances, December 31, 2018				
Restricted	-	526,381	667	527,048
Assigned	168,934	-	-	168,934
Unassigned (Deficit)	68,602	-	-	68,602
Fund Cash Balances, December 31, 2018	<u>\$ 237,536</u>	<u>\$ 526,381</u>	<u>\$ 667</u>	<u>\$ 764,584</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS) - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 432,732
Total Operating Cash Receipts	432,732
Operating Cash Disbursements:	
Personal Services	51,734
Fringe Benefits	8,164
Contractual Services	85,004
Supplies and Materials	40,614
Other	320
Total Operating Cash Disbursements	185,836
Operating Income (Loss)	246,897
Non-Operating Receipts (Disbursements):	
Miscellaneous Receipts	2,605
Earnings on Investments	255
Debt Service:	
Principal Retirement	(115,709)
Interest	(65,916)
Total Non-Operating Receipts (Disbursements)	(178,765)
Net Change in Fund Cash Balances	68,132
Fund Cash Balances, January 1, 2018	477,835
Fund Cash Balances, December 31, 2018	\$ 545,967

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The Village of Amanda (the Village), Fairfield County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, water and sewer utilities and maintenance of Village roads.

The Village contracts with the Fairfield County Sheriff's department to provide security of persons and property. The Village contracts with Amanda Township to receive fire protection services.

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

Joint Governed Organization:
Fairfield County Regional Planning Commission

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

Note 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 balances (regulatory cash basis) for all governmental fund types, and a statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type 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:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Street Construction Maintenance and Repair This fund receives income taxes, gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village Streets.

Street Levy Fund This fund primarily receives property tax receipts to repair and improve the Village streets.

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Other Capital Project Fund This fund receives proceeds from Fairfield Medical Center used by the Village as design fees for the Medical Center.

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

Water Fund This fund receives charges for services from residents to cover the costs of providing the citizens of the Village with water services.

Sewer Fund This fund receives charges for services from residents to cover the costs of providing citizens of the Village with sewer services.

Sewer Debt Service Fund This fund receives monies from fees assessed to sewer users. The monies are used to retire debt incurred to operate the sewer system.

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 Section 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 Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund 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. Appropriations lapse at year end.

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

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2018 budgetary activity appears in Note 3.

Deposits and Investments

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

Property, Plant and Equipment

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

Accumulated Leave

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

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* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$191,647	\$215,241	\$23,594
Special Revenue	516,214	514,929	(1,285)
Capital Projects	50,000	17,974	(32,026)
Enterprise	443,023	435,592	(7,431)
Total	\$1,200,884	\$1,183,736	(\$17,148)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$358,161	\$144,219	\$213,942
Special Revenue	985,867	461,535	524,332
Capital Projects	50,297	17,604	32,693
Enterprise	870,120	367,461	502,659
Total	\$2,264,445	\$990,819	\$1,273,626

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 4 – Deposits

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

	2018
Demand deposits	<u>\$1,251,309</u>
Certificates of deposit	<u>59,242</u>
Total deposits	<u><u>\$1,310,551</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Local Income Taxes

Beginning in September 2015, The Village levied a municipal income tax of one 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.

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 6 – Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postemployment health care and survivor and disability benefits.

Contribution rates are also prescribed by the Ohio Revised Code. For the year ended December 31, 2018, OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

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, 2018.

Note 8 – Postemployment Benefits

OPERS 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. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018.

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 – Debt

Debt outstanding at December 31, 2018, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Sewer Mortgage Revenue Bonds	\$ 520,000	5.50%
OWDA Loan #3985	74,522	5.01%
OWDA Loan #4667	1,442,916	1.50%
OWDA Loan #7046	659,159	1.57%
OPWC Loan #CQ17R	14,989	0.00%
OPWC Loan #CQ19T	72,063	0.00%
OPWC Loan #CQ38U	32,528	0.00%
OPWC Loan #CQ11J	59,613	0.00%
OPWC Loan #CQ51V	68,539	0.00%
Total	<u>\$ 2,944,329</u>	

The Sewer Mortgage Revenue Bonds were obtained for the purpose of paying the costs of constructing the Village’s sewer system. The bonds will be repaid in over 40 years. The bonds are secured by sewer receipts. The Village has agreed to set utility rates sufficient to cover debt service requirements. The bonds will be retired from the Sewer Debt Service Fund and have an annual interest rate of 5.50 percent. The Sewer Mortgage Revenue Bond covenant requires the Village to establish and fund a sewer debt service reserve fund. The balance in this fund at December 31, 2018 is \$55,065.

Ohio Water Development Authority (OWDA) Loan (#3985) relates to the waterline construction. The OWDA approved \$109,999 in a loan related to this project. The Village repays the loan in semiannual installments of \$3,563, including interest over 30 years. Water receipts collateralize the loan. The Village has agreed to set utility rate sufficient to cover OWDA debt service requirements. The loan will be retired from the Water Fund and has an annual interest rate of 5.01 percent.

Ohio Water Development Authority (OWDA) Loan (#4667) relates to the water system improvements. The OWDA approved \$1,966,000 in a loan related to this project. The Village repays the loan in semiannual installments of \$41,888, including interest, over 30 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan will be retired from the Water Fund and has an annual interest rate of 1.50 percent.

Ohio Water Development Authority (OWDA) Loan (#7046) was issued in 2017 for the construction of a new water tower. The OWDA approved \$718,687 in a loan related to this project. The Village repays the loan in semiannual payments of \$14,388, including interest over 30 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan will be retired from the Water Fund and has an annual interest rate of 1.57 percent.

Ohio Public Works Commission (OPWC) Loan (CQ17R) relates to street improvements along High Street. OPWC approved up to \$74,949 in a loan to the Village for this project. The Village repays the loan in semiannual installments of \$7,495 over 5 years. The interest-free loan will be retired from the Street Levy Fund.

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Ohio Public Works Commission (OPWC) Loan (CQ19T) was issued in 2017 for street improvements along Main Street and Oak Street. OPWC approved up to \$84,780 in a loan to the Village for this project. The Village repays the loan in semiannual installments of \$4,239 over 10 years. The interest-free loan will be retired from the Street Levy Fund.

Ohio Public Works Commission (OPWC) Loan (CQ38U) relates to street improvements along Church Street. OPWC approved up to \$34,240 in a loan to the Village for this project. The Village repays the loan in semiannual installments of \$856 over 20 years. The interest-free loan will be retired from the Street Levy Fund.

Ohio Public Works Commission (OPWC) Loan (CQ11J) relates to a water system improvements project. OPWC approved up to \$125,500 in a loan to the Village for this project. This loan was drawn down in 2008. The Village repays the loan in semiannual installments of \$3,138, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements. The interest-free loan will be retired from the Water Fund.

Ohio Public Works Commission (OPWC) Loan (CQ51V) relates to street improvements along Lutz Avenue. OPWC approved up to \$68,539 in a loan to the Village for this project. The Village repays the loan in semiannual installments of \$1,904 over 18 years. The interest-free loan will be retired from the Street Levy Fund.

Amortization

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

Year Ending December 31:	Sewer Mortgage Revenue Bonds		Year Ending December 31:	OWDA Loans	
	Principal	Interest		Principal	Interest
2019	25,600	28,600	2019	84,300	34,634
2020	27,000	27,192	2020	85,705	33,264
2021	28,500	25,707	2021	87,137	31,869
2022	30,100	24,140	2022	88,598	30,447
2023	31,800	22,484	2023	90,088	28,998
2024-2028	186,900	84,216	2024-2028	473,860	122,257
2029-2032	190,100	26,835	2029-2033	515,955	81,540
Total	\$ 520,000	\$ 239,174	2034-2038	522,809	39,955
			2039-2043	130,518	13,365
			2044-2047	97,628	3,090
			Total	\$ 2,176,597	\$ 419,419

Village of Amanda
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Year Ending December 31:	OPWC Loans	
	Principal	Interest
2019	33,359	-
2020	20,273	-
2021	20,273	-
2022	20,273	-
2023	20,273	-
2024-2028	85,509	-
2029-2033	27,599	-
2034-2037	20,175	-
Total	\$ 247,732	\$ -

Note 10 – Contingent Liabilities

At December 31, 2018, the Village was not involved in any lawsuits that would have a material adverse effect on the Village’s financial position.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 – Jointly Governed Organizations

Fairfield County Regional Planning Commission

The Village appoints a member of Council to represent the Village on the 47 member board of the Fairfield County Regional Planning Commission. The Village pays a small membership fee annually based on the per capita of the Village. There is no ongoing financial responsibility by the Village.

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

Village of Amanda
Fairfield County
123 S. Main Street
Convoy, Ohio 45832

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Amanda, Fairfield County, Ohio, as of and for the years ended December 31, 2019 and December 31, 2018, and the related notes to the financial statements, and have issued our report thereon dated July 24, 2020, wherein we noted the Village of Amanda followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Furthermore, as discussed in Note 12 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village of Amanda'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 of Amanda's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding 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. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village of Amanda's financial statements. We consider findings 2019-001 and 2019-004 described in the accompanying schedule of findings and responses to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2019-002 and 2019-003 described in the accompanying schedule of findings and responses to be significant deficiencies.

Compliance and Other Matters

As part of reasonably assuring whether the Village of Amanda's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2019-003 and 2019-004.

Village of Amanda's Responses to Findings

The Village of Amanda's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not subject the Village of Amanda's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 of Amanda's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village of Amanda's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
July 24, 2020

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2019-001

Material Weakness - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made.

Certain adjustments were made to the financial statements and note disclosures for the years ended December 31, 2018 and December 31, 2019, to properly state financial statement amounts.

The audited financial statements, note disclosures and Village records have been adjusted for the misstatements identified during the audit.

A lack of control procedures associated with the period end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the Village's activity.

We recommend the Village of Amanda implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the basic financial statements prior to presenting them to the auditors. Further, we recommend the Village review the adjustments noted during the audit and incorporate them into future reports.

Client Response: The Fiscal Officer will work to provide a sound fiscal environment for the Village and has implemented additional policies and procedures to help with financial statement presentation.

Finding Number	2019-002
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Significant Deficiency - Bank Reconciliations

The Village's bank balances should be reconciled on a monthly basis, shortly after month end. Further, the bank reconciliations along with supporting documentation should be submitted to the Village Council for review and approval at the meeting date following month end.

In 2018 and 2019, the Village did not reconcile the certificate of deposit balances from the bank to the Uniform Accounting Network (UAN) records of the Village. The financial statements and UAN balances were adjusted to agree to the December 31, 2018 and December 31, 2019 balances.

Not providing the Village Council with timely and accurate monthly reconciliations results in the Village Council relying on misrepresented financial information in which they base their decision.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2019-002 (Continued)

We recommend the Village Fiscal Officer timely reconcile its certificate of deposit balances and provide the reconciliation and supporting documentation to the Village Council. A Village Council representative should review the bank reconciliations for any unusual items and document their approval by initialing the reconciliation.

Client's Response: Certificates of deposit balances were maintained at the original values. The interest earned was not being recorded due to the bank does not send us monthly statements. We only receive a statement when the cd is up for renewal. In the future we will contact the bank at the end of the year so we can update the interest amounts so future bank reconciliations and certificate of deposit balances will agree to bank balances and interest earned and will be posted to the accounting system.

Finding Number	2019-003
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Significant Deficiency/Noncompliance – Leave Time

Ohio Revised Code Section 124.38 in part requires the Village to issue and track credited and used leave time for all employees.

The Village did not properly track employees leave balances credited and used. The Village also did not have appropriate leave forms.

Without proper documentation and recording of leave balances, the Village employees may take advantage of the Village and use sick or personal time not credited to them. Also, by not properly tracking leave balances, employees could alter their balances without the Village's approval and severance payouts could be miscalculated.

We recommend that the Village incorporate a new system to better monitor, track, and record employees' leave time to ensure accurate leave balances and compliance with the Ohio Revised Code.

Client Response: The Village is currently working on a new system to implement in the future.

Finding Number	2019-004
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Material Weakness/Noncompliance – OPWC On-Behalf Payments

Ohio Rev. Code § 5705.42 states when the United States government or the state or any department, division, agency, authority, or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, or enters into an agreement with the subdivision for the making of any such grant or loan of money, the amount thereof is deemed appropriated for such purpose by the taxing authority of the subdivision as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection within the meaning of section 5705.41 of the Revised Code.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2019-004 (Continued)

In addition, Auditor of State (AOS) Bulletin 2000-008 indicates that when a local government enters into an on-behalf-of program agreement with another local government or the state, whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

The Village entered into agreements with the Ohio Public Works Commission (OPWC) for grants and loans during the years ending December 31, 2019 and December 31, 2018. AOS Bulletin 2002-004 outlines the accounting requirements for OPWC grants. The OPWC will make payments to the contractor(s) for its share based on invoices submitted by the fiscal officer or to the local government as a reimbursement. For payments made to the contractor, the state will notify the fiscal officer of the amount disbursed. Upon receipt of this notice, each local government shall record a receipt and disbursement in the appropriate governmental and/or enterprise capital projects fund equal to the amount disbursed by the OPWC.

In 2018, The Village did not record the payments made directly to contractors as part of the OPWC projects. The Village failed to report \$161,570 in OPWC intergovernmental revenues, \$98,445 in OPWC Loan Proceeds and \$260,015 in OPWC capital outlay disbursements in the street levy fund for street improvements. The financial statements and notes have been adjusted to properly report the activity.

In 2019, The Village did not record the payments made directly to contractors as part of the OPWC projects. The Village failed to report \$105,966 in OPWC intergovernmental revenues, \$20,686 in OPWC Loan Proceeds and \$126,652 in OPWC capital outlay disbursements in the street levy fund for street improvements. The financial statements and notes have been adjusted to properly report the activity.

The failure to record grant and loan activity results in understated receipts and disbursements on the financial statements and understated obligations in the financial statement notes.

To improve financial reporting, the Village should establish procedures to account for all payments made directly to contractors to ensure that the financial statements reflect the receipts and disbursements for all grant and loan activity.

Client Response: The Fiscal Officer will work to provide a sound fiscal environment for the Village and is in the process of evaluating other options to help improve the Village’s policies and procedures associated with financial statement presentation.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2019 AND 2018**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2017-001	2007	<u>Financial Statement Presentation - Material Weakness</u> - A monitoring system by the Fiscal Officer and Village Council should be in place to prevent or detect material misstatements for the accurate presentation to the Village's financial statements. The Village had several audit adjustments.	Not Corrected	Finding repeated as 2019-001 as the Village's financial report required audit adjustments.
2017-002	2014	<u>Bank Reconciliations - Significant Deficiency</u> - Village bank balances should be reconciled on a monthly basis, shortly after month end. The Village did not reconcile the certificate of deposit balances from the bank to the Uniform Accounting Network (UAN) records of the Village.	Not Corrected	Finding repeated as 2019-002 as bank balances were not agreed to the UAN records.
2017-003	2001	<u>Material Noncompliance</u> - Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The Village had expenditures that were not timely certified.	Corrective Action Taken and Finding is Fully Corrected	N/A
2017-004	2016	<u>Significant Deficiency - Noncompliance</u> - Ohio Revised Code Section 124.38 in part requires that the Village track credited and used leave time for employees. The Village did not have a proper system in place to track credited and used leave time.	Not Corrected	Finding repeated as 2019-003 as the Village has not implemented a system to properly track employee leave balances.
2017-005	2017	<u>Material Noncompliance</u> - Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated. The Village had disbursements exceeding appropriations.	Corrective Action Taken and Finding is Fully Corrected	N/A

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2017-006	2017	<u>Material Noncompliance</u> - Ohio Revised Code Section 5705.40 outlines the requirement for amending and supplementing appropriations. The Village made adjustments to the budget without Council approval.	Corrective Action Taken and Finding is Fully Corrected	N/A

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF AMANDA

FAIRFIELD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/1/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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