
ALGER & ASSOCIATES, Inc.



PROFESSIONAL FINANCIAL AND COMPLIANCE AUDIT SERVICES

VILLAGE OF WAYNESBURG

STARK COUNTY

REGULAR AUDIT

A&A

For the Years Ended

December 31, 2019 and 2018

6927 Burgundy Ave NW
North Canton, OH 44720
Phone (330) 353-5851
Fax (330) 768-7574

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Village Council
Village of Waynesburg
P. O. Box 610
110 North Main Street
Waynesburg, Ohio 44688

We have reviewed the *Independent Auditor's Report* of the Village of Waynesburg, Stark County, prepared by Alger & Associates, 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 Waynesburg 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 30, 2020

This page intentionally left blank.

VILLAGE OF WAYNESBURG
STARK COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2019	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2019	4
2019 Notes to the Financial Statements	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2018	13
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2018	14
2018 Notes to the Financial Statements	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	23
Schedule of Audit Findings	25
Schedule of Prior Audit Findings.....	29

This page intentionally left blank



ALGER & ASSOCIATES, Inc.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Village of Waynesburg
Stark County
110 North Main Street
Waynesburg, OH 44688

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 Waynesburg, Stark County, Ohio (the Village) 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'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 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 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.

6927 Burgundy Ave. NW
North Canton, OH 44720
Phone - 330-353-5851
FAX - 330-768-7574

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2019 and December 31, 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Waynesburg, Stark 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 14 to the financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding his matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020, on our consideration of the Village'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.

Karen S
Alger, CPA
Digitally signed by Karen S Alger, CPA
DN: cn=Karen S Alger, CPA, o=Alger &
Associates, Inc, ou,
email=ksalger46@att.net, c=US
Date: 2020.09.30 10:22:19 -04'00'

Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

September 30, 2020

Village of Waynesburg, Ohio
Stark County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Governmental Fund Types
For the Year Ended December 31, 2019

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$43,669	\$78,892		\$122,561
Intergovernmental	29,077	70,087	\$111,339	210,503
Charges for Services		31,050		31,050
Fines, Licenses and Permits	45,138	171		45,309
Earnings on Investments	8,032	3,714		11,746
Miscellaneous	21,051	20,031		41,082
<i>Total Cash Receipts</i>	<u>146,967</u>	<u>203,945</u>	<u>111,339</u>	<u>462,251</u>
Cash Disbursements				
Current:				
Security of Persons and Property	46,615	57,148		103,763
Leisure Time Activities		30,155		30,155
Community Environment		985		985
Transportation		81,869		81,869
General Government	57,125	36,869		93,994
Capital Outlay	5,998	1,451	132,171	139,620
Debt Service:				
Principal Retirement	8,302	2,895		11,197
Interest and Fiscal Charges	1,225	176		1,401
<i>Total Cash Disbursements</i>	<u>119,265</u>	<u>211,548</u>	<u>132,171</u>	<u>462,984</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>27,702</u>	<u>(7,603)</u>	<u>(20,832)</u>	<u>(733)</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets		501		501
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>501</u>	<u>-</u>	<u>501</u>
<i>Net Change in Fund Cash Balances</i>	27,702	(7,102)	(20,832)	(232)
<i>Fund Cash Balances, January 1 (restated refer to note 3)</i>	<u>73,685</u>	<u>159,696</u>	<u>-</u>	<u>233,381</u>
Fund Cash Balances, December 31				
Restricted		152,594		152,594
Assigned	101,387			101,387
Unassigned (Deficit)			(20,832)	(20,832)
<i>Fund Cash Balances, December 31</i>	<u>\$101,387</u>	<u>\$152,594</u>	<u>(\$20,832)</u>	<u>\$233,149</u>

See accompanying notes to the basic financial statements

Village of Waynesburg, Ohio
Stark County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2019

	Proprietary Fund Type	Fiduciary Fund Types	Totals
	Enterprise	Custodial	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$162,557		\$162,557
Miscellaneous		\$51,443	51,443
<i>Total Operating Cash Receipts</i>	<u>162,557</u>	<u>51,443</u>	<u>214,000</u>
Operating Cash Disbursements			
Personal Services	42,587		42,587
Contractual Services	1,090,210		1,090,210
Supplies and Materials	17,042		17,042
Other	3,093		3,093
<i>Total Operating Cash Disbursements</i>	<u>1,152,932</u>	<u>-</u>	<u>1,152,932</u>
<i>Operating Income (Loss)</i>	<u>(990,375)</u>	<u>51,443</u>	<u>(938,932)</u>
Non-Operating Receipts (Disbursements)			
Other Debt Proceeds	1,043,354		1,043,354
Principal Retirement	(12,060)		(12,060)
Interest and Other Fiscal Charges	(17,459)		(17,459)
Other Financing Uses		(52,803)	(52,803)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>1,013,835</u>	<u>(52,803)</u>	<u>961,032</u>
<i>Net Change in Fund Cash Balances</i>	23,460	(1,360)	22,100
<i>Fund Cash Balances, January 1</i>	<u>331,875</u>	<u>1,360</u>	<u>333,235</u>
<i>Fund Cash Balances, December 31</i>	<u>\$355,335</u>	<u>\$0</u>	<u>\$355,335</u>

See accompanying notes to the basic financial statements

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The Village of Waynesburg (the Village), Stark 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 water utilities, park operations, cemetery operations, and police services.

Jointly Governed Organizations

The Village participates in jointly governed organizations. Note 12 to the financial statements provides additional information for these entities.

Stark County Council of Governments:

Jointly governed organization that funds and operates the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab.

Stark County Regional Planning Commission:

Jointly governed organization that provides comprehensive planning, both long and short-term, dealing with the economic and physical environment of Stark County.

Quad Ambulance District:

Body corporate and politic established for the purpose of providing public emergency services for the residents of the QUAD Ambulance District.

Mohawk Joint Valley Fire District:

Mohawk Valley Joint Fire District is a body politic established to provide public emergency fire service for the residents of the Village of Waynesburg and Sandy Township Residents.

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 combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary 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:

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:

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies *(continued)*

Fund Accounting *(continued)*

Street Construction Maintenance and Repair - The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Cemetery Fund - This fund receives monies from the sale of cemetery lots and charges for the burials which are used to maintain the cemetery.

Fire Levy Fund - This fund receives levy monies to operate and maintain the Village Volunteer Fire Department.

Police Levy Fund - This fund receives levy monies to operate and maintain the Village Police Department.

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 funds:

Ohio Department of National Resources Grant Fund This fund is used to account for all financial resources and expenses associated with the grant funding for the construction of the Waynesburg Park and recreation or conservation facility within the Village. The project was entered into as on-behalf-of program agreement through the Ohio Department of National Resources.

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 for residents to cover the cost of providing this utility.

Water Debt Fund - This fund receives a portion of the Village's water surcharge from residents to retire debt associated with the water plant expansion, upgrading of Village water meters, and the purchase of a new water truck.

Water Improvement Fund - This fund receives a portion of the Village's water surcharge from residents to cover the cost of improving the Village's water plant.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for fines and forfeitures from the Mayor's Court to be distributed to the Village, State of Ohio, and other local governments

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 Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved). These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies *(continued)*

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. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2019 budgetary activity appears in Note 5.

Deposits and Investments

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

The Village accounting basis includes a Small Business Checking account where money is deposited and investment in repurchase (sweep) agreements which are valued at cost.

Capital Assets

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.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies *(continued)*

Fund Balance *(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 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.

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 – Prior Period Adjustment

The Fiscal Officer booked \$800 more for an OWDA grant than what was disbursed.

	Capital Project Fund
Fund Cash Balance, December 31, 2018	\$800
OPWC grant mony never received	(800)
Fund Cash Balance, December 31, 2018	-

Note 4 - Compliance

Contrary to Ohio Rev. Code §5705.41(D)(1), the Village did not obtain prior certification for expenditures. Also, contrary to §5705.10 (I), the Village reported a material deficit fund balance of \$20,832 in the Capital Project fund.

Note 5 - 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	\$141,925	\$146,967	\$5,042
Special Revenue	194,185	204,446	10,261
Capital Projects	200,000	111,339	(88,661)
Enterprise	1,323,642	1,205,911	(117,731)
Total	\$1,859,752	\$1,668,663	(\$191,089)

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 5 - Budgetary Activity *(continued)*

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$161,965	\$128,944	\$33,021
Special Revenue	262,249	213,292	48,957
Capital Projects	200,000	143,462	56,538
Enterprise	1,451,527	1,212,275	239,252
Total	\$2,075,741	\$1,697,973	\$377,768

Note 6 – Deposits and Investments

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

	2019
Demand deposits	\$ 38,205
Repurchase agreement	550,279
Total deposits and investments	\$ 588,484

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.

Investments

The Village’s financial institution transfers securities to the Village’s agent to collateralize repurchase agreements. The securities are not in the Village’s name.

Note 7 – 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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 8 - 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 9 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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 postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Ohio Police and Fire Retirement System

Village's certified 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 contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2019.

Note 10 - 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. 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. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 11 – Debt

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
2016 Promissory Note Land Purchase	\$ 33,132	2.85%
2017 Promissory Note Ford Explorer	\$ 11,906	2.50%
OWDA Loan #8227	\$1,035,344	2.98%
Total	\$1,080,382	

The 2016 Promissory Note relates to the purchase of property and pay off of loan for 110 N Main Street. There is a balance, as of December 31, 2019 of \$33,132 which will be repaid in monthly payments of \$537.91 of principal and interest. The loan through Consumer National Bank will be repaid by November of 2022 within the General fund and Policy Levy fund.

The 2017 Promissory Note relates to the purchase of a 2017 Ford Explorer Interceptor vehicle. There is a balance, as of December 31, 2019 of \$11,906 which will be repaid in monthly payments of \$558.35 of principal and interest. The loan through Consumer National Bank will be repaid by November of 2021 within the General fund and Policy Levy fund.

These loans are backed by the full faith of the Village.

The Ohio Water Development Authority (OWDA) loan #8227 relates to the water treatment plant renovations project. The OWDA approved a total loan of \$1,156,474 for the Village; \$1,043,376 was issued in 2019. The loan is for a 30-year term. No amortization is available.

Amortization

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

	2016 Promissory Note - Land Purchase	2017 Promissory Note Ford Explorer	Total Memorandum
Year Ending December 31:			
2020	\$6,455	\$6,700	\$13,155
2021	\$6,455	\$6,142	\$12,597
2022	\$6,455		\$6,455
2023	\$6,455		\$6,455
2024-2026	\$11,296		\$11,296
Total	\$37,116	\$12,842	\$49,958

Note 12 – Jointly Governed Organizations

Stark Council of Governments

The Stark Council of Governments (SCOG) is a jointly governed organization. SCOG is a regional council of governments formed under chapter 167 of the Ohio Revised Code. Currently, SCOG’s functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by its membership, including Stark County, and other cities, villages, and townships. The membership elects a nine-member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and performs accounting and finance related activities. Continued existence of the agency is not dependent on the Village’s continue participation nor does the Village have an equity interest in the SCOG. The SCOG is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden to the Village. Complete financial statements may be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 12 – Jointly Governed Organizations *(continued)*

Stark County Regional Planning Commission

The Village participates in the Stark County Regional Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Stark County, and other cities, villages, and townships. The principal aim of the Commission is to provide comprehensive planning, both long and short-term, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission including budgeting, appropriating, contracting, and designating management. The Village has no financial responsibility for any of the Commission's liabilities. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

QUAD Ambulance District

QUAD Ambulance District (the District) is a body corporate and politic established for the purpose of providing public emergency ambulance services for the residents of the QUAD Ambulance District which includes the Village of Magnolia and Waynesburg, and Sandy and Rose Townships. The District is directed by a Board of Trustees consisting of four members. One Board Member is appointed by each political subdivision with the District. The District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden to the Village.

Mohawk Valley Joint Fire District

Mohawk Valley Joint Fire District is a body politic established to provide public emergency fire service for the residents of the Village of Waynesburg and Sandy Township Residents. The District is directed by a Board of Trustees consisting of five members. One board member is appointed by each political subdivision with the district and one citizen is appointed by each political subdivision and one board member is appointed by the fire district board. The District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden to the Village.

Note 13 – Contingent Liabilities

The Village was not part of any lawsuits in 2019.

Note 14 – Subsequent Events

The United States 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 District. The impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Village of Waynesburg, Ohio
Stark County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Governmental Fund Types
For the Year Ended December 31, 2018

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$44,002	\$80,480		\$124,482
Intergovernmental	29,425	108,281		137,706
Charges for Services		30,750		30,750
Fines, Licenses and Permits	49,955			49,955
Earnings on Investments	4,750	3,399		8,149
Miscellaneous	23,785	19,467		43,252
<i>Total Cash Receipts</i>	<u>151,917</u>	<u>242,377</u>	-	<u>394,294</u>
Cash Disbursements				
Current:				
Security of Persons and Property	47,357	73,463		120,820
Leisure Time Activities		45,890		45,890
Community Environment		396		396
Transportation		60,146		60,146
General Government	65,688	79,411		145,099
Capital Outlay		52,157		52,157
Debt Service:				
Principal Retirement	15,705	3,320		19,025
Interest and Fiscal Charges	1,450	310		1,760
<i>Total Cash Disbursements</i>	<u>130,200</u>	<u>315,093</u>	-	<u>445,293</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>21,717</u>	<u>(72,716)</u>	-	<u>(50,999)</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets		300		300
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>300</u>	-	<u>300</u>
<i>Net Change in Fund Cash Balances</i>	21,717	(72,416)	-	(50,699)
<i>Fund Cash Balances, January 1</i>	<u>51,968</u>	<u>232,112</u>	<u>\$800</u>	<u>284,880</u>
Fund Cash Balances, December 31				
Restricted		159,696	800	160,496
Assigned	73,685			73,685
<i>Fund Cash Balances, December 31</i>	<u>\$73,685</u>	<u>\$159,696</u>	<u>\$800</u>	<u>\$234,181</u>

See accompanying notes to the basic financial statements

Village of Waynesburg, Ohio
Stark County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2018

	Proprietary Fund Type	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$174,089	\$58,938	\$233,027
Miscellaneous	56		56
<i>Total Operating Cash Receipts</i>	<u>174,145</u>	<u>58,938</u>	<u>233,083</u>
Operating Cash Disbursements			
Personal Services	42,768		42,768
Contractual Services	74,303		74,303
Supplies and Materials	22,137		22,137
Other	2,289	61,253	63,542
<i>Total Operating Cash Disbursements</i>	<u>141,497</u>	<u>61,253</u>	<u>202,750</u>
<i>Operating Income (Loss)</i>	<u>32,648</u>	<u>(2,315)</u>	<u>30,333</u>
Non-Operating Receipts (Disbursements)			
Other Debt Proceeds	4,050		4,050
Capital Outlay	(4,028)		(4,028)
Interest and Other Fiscal Charges	(22)		(22)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	32,648	(2,315)	30,333
<i>Fund Cash Balances, January 1</i>	<u>299,227</u>	<u>3,675</u>	<u>302,902</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$331,875</u></u>	<u><u>\$1,360</u></u>	<u><u>\$333,235</u></u>

See accompanying notes to the basic financial statements

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The Village of Waynesburg (the Village), Stark 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 water utilities, park operations, cemetery operations, and police services.

Jointly Governed Organizations

The Village participates in jointly governed organizations. Note 11 to the financial statements provides additional information for these entities.

Stark County Council of Governments:

Jointly governed organization that funds and operates the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab.

Stark County Regional Planning Commission:

Jointly governed organization that provides comprehensive planning, both long and short-term, dealing with the economic and physical environment of Stark County.

Quad Ambulance District:

Body corporate and politic established for the purpose of providing public emergency services for the residents of the QUAD Ambulance District.

Mohawk Joint Valley Fire District:

Mohawk Valley Joint Fire District is a body politic established to provide public emergency fire service for the residents of the Village of Waynesburg and Sandy Township Residents.

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 combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary 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:

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:

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies *(continued)*

Fund Accounting *(continued)*

Street Construction Maintenance and Repair - The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Cemetery Fund - This fund receives monies from the sale of cemetery lots and charges for the burials which are used to maintain the cemetery.

-

Fire Levy Fund - This fund receives levy monies to operate and maintain the Village Volunteer Fire Department.

Police Levy Fund - This fund receives levy monies to operate and maintain the Village Police Department.

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 funds:

Ohio Department of National Resources Grant Fund This fund is used to account for all financial resources and expenses associated with the grant funding for the construction of the Waynesburg Park and recreation or conservation facility within the Village. The project was entered into as on-behalf-of program agreement through the Ohio Department of National Resources.

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 for residents to cover the cost of providing this utility.

Water Debt Fund - This fund receives a portion of the Village's water surcharge from residents to retire debt associated with the water plant expansion, upgrading of Village water meters, and the purchase of a new water truck.

Water Improvement Fund - This fund receives a portion of the Village's water surcharge from residents to cover the cost of improving the Village's water plant.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for fines and forfeitures from the Mayor's Court to be distributed to the Village, State of Ohio, and other local governments

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 Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved). These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies *(continued)*

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. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2018 budgetary activity appears in Note 5.

Deposits and Investments

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

The Village accounting basis includes a Small Business Checking account where money is deposited and investment in repurchase (sweep) agreements which are valued at cost.

Capital Assets

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.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies *(continued)*

Fund Balance *(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 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.

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 - Compliance

Contrary to Ohio Rev. Code §5705.41 (D)(1), the Village did not obtain prior certification for expenditures.

Note 4 - 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	\$114,503	\$151,917	\$37,414
Special Revenue	187,680	242,377	54,697
Enterprise	174,145	178,195	4,050
Total	\$476,328	\$572,489	\$96,161

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$139,958	\$134,061	\$5,897
Special Revenue	353,353	323,788	29,565
Enterprise	266,875	151,391	115,484
Total	\$760,186	\$609,240	\$150,946

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 5 – Deposits and Investments

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

	<u>2018</u>
Demand deposits	\$ 33,146
Repurchase agreement	<u>534,270</u>
Total deposits and investments	<u><u>\$ 567,416</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.

Investments

The Village’s financial institution transfers securities to the Village’s agent to collateralize repurchase agreements. The securities are not in the Village’s name.

Note 6 – 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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Note 7 - Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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 postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

Ohio Police and Fire Retirement System

Village's certified 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 contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2018.

Note 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. 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. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

Note 10 – Debt

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2016 Promissory Note	\$ 38,539	2.85%
2017 Promissory Note	\$ 17,696	2.50%
OWDA Loan #8227	\$ 4,050	2.98%
Total	<u>\$ 60,285</u>	

The 2016 Promissory Note relates to the purchase of property and pay off of loan for 110 N Main Street. There is a balance, as of December 31, 2019 of \$38,539 which will be repaid in monthly payments of \$537.91 of principal and interest. The loan through Consumer National Bank will be repaid by November of 2022 within the General fund and Policy Levy fund.

The 2017 Promissory Note relates to the purchase of a 2017 Ford Explorer Interceptor vehicle. There is a balance, as of December 31, 2018 of \$17,696 which will be repaid in monthly payments of \$558.35 of principal and interest. The loan through Consumer National Bank will be repaid by November of 2021 within the General fund and Policy Levy fund.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 10 – Debt *(continued)*

These loans are backed by the full faith of the Village.

The Ohio Water Development Authority (OWDA) loan #8227 relates to the water treatment plant renovations project. The OWDA approved a total loan of \$1,156,474 for the Village and \$4,050 was issued in 2018. The loan is for a 30-year term. No amortization is available.

Amortization

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

Year Ending December 31:	2016 Promisory Note - Land Purchase	2017 Promisory Note Ford Explorer	Total Memorandum
2019	\$6,455	\$6,700	\$13,155
2020	\$6,455	\$6,700	\$13,155
2021	\$6,455	\$6,142	\$12,597
2022	\$6,455		\$6,455
2023	\$6,455		\$6,455
2024-2026	\$11,296		\$11,296
Total	\$43,571	\$19,542	\$63,113

Note 11 – Jointly Governed Organizations

Stark Council of Governments

The Stark Council of Governments (SCOG) is a jointly governed organization. SCOG is a regional council of governments formed under chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by its membership, including Stark County, and other cities, villages, and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and performs accounting and finance related activities. Continued existence of the agency is not dependent on the Village's continue participation nor does the Village have an equity interest in the SCOG. The SCOG is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden to the Village. Complete financial statements may be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

Stark County Regional Planning Commission

The Village participates in the Stark County Regional Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Stark County, and other cities, villages, and townships. The principal aim of the Commission is to provide comprehensive planning, both long and short-term, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission including budgeting, appropriating, contracting, and designating management. The Village has no financial responsibility for any of the Commission's liabilities. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 11 – Jointly Governed Organizations *(continued)*

QUAD Ambulance District

QUAD Ambulance District (the District) is a body corporate and politic established for the purpose of providing public emergency ambulance services for the residents of the QUAD Ambulance District which includes the Village of Magnolia and Waynesburg, and Sandy and Rose Townships. The District is directed by a Board of Trustees consisting of four members. One Board Member is appointed by each political subdivision with the District. The District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden to the Village.

Mohawk Valley Joint Fire District

Mohawk Valley Joint Fire District is a body politic established to provide public emergency fire service for the residents of the Village of Waynesburg and Sandy Township Residents. The District is directed by a Board of Trustees consisting of five members. One board member is appointed by each political subdivision with the district and one citizen is appointed by each political subdivision and one board member is appointed by the fire district board. The District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden to the Village.

Note 12 – Contingent Liabilities

The Village was not part of any lawsuits in 2018.



ALGER & ASSOCIATES, Inc.

Certified Public Accountants

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

Village of Waynesburg
Stark County
110 North Main Street
Waynesburg, OH 44688

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 Waynesburg, Stark County, Ohio (the Village) 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 September 30, 2020 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. In addition, as disclosed in Note 12, the United States and the State of Ohio declared a state of emergency in March, 2020 due to the COVID-19 pandemic. The ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2019-001 and 2019-003 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under Government Auditing Standards which are described in the accompanying schedule of findings as items 2019-001 and 2019-002.

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.

**Karen S
Alger, CPA**  Digitally signed by Karen S Alger, CPA
DN: cn=Karen S Alger, CPA, o=Alger &
Associates, Inc, ou,
email=ksalger46@att.net, c=US
Date: 2020.09.30 10:22:46 -04'00'

Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

September 30, 2020

VILLAGE OF WAYNESBURG, Ohio
Stark County

SCHEDULE OF FINDINGS
December 31, 2018 - 2019

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

FINDING NUMBER 2019-001

Material Noncompliance/Material Weakness Negative Fund Balance

Ohio Rev. Code Section 5705.10 (I), states money paid into a fund shall be used only for the purposes for which such fund is established. A negative fund cash balance indicates that money from one fund was used to cover the expenses of another fund. The Village had a negative fund balance at December 31, 2019 in the Capital Project Fund of \$20,832.

A negative cash fund balance is an indication that revenues from other sources were used to pay obligations of this fund. Fund activity should be monitored to prevent future expenditures in excess of available resources. In those cases where additional funds are required, the resources should either be transferred or advanced to the fund in accordance with the Ohio Revised Code.

We recommend the Village monitor their fund balances to ensure that money from various funds is not used to pay obligations of other funds.

FINDING NUMBER 2019-002

Material Noncompliance/Material Weakness

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

- The fiscal officer can certify that both at the time that the contract or order was made ("then") and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has 30 days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of the expenditures by the Village.

- Blanket Certificates. Fiscal officers may prepare "blanket" certificates if the Village has approved their use and established maximum amounts.
- Super Blanket Certificates. The Village may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonable predictable operation expense. This certification is not to extend beyond the current year. More than one so-called "super blanket" certificate may be outstanding at a particular time for any line item appropriation.

VILLAGE OF WAYNESBURG, Ohio
Stark County

SCHEDULE OF FINDINGS
December 31, 2018 - 2019

FINDING NUMBER 2019-002 *(continued)*

During the audit period 17 out of 42 (40%) of the expenditure transactions tested were not properly certified prior to incurring the obligation and there was no evidence of a “then and now” certificate being used by the Fiscal Officer. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances. In addition, Village Council did not establish, by resolution or ordinance, a blanket certificate limit.

Unless the exceptions noted above are used, prior certification in the form of purchase orders or “blanket” purchase orders is not only required by statute, but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over the disbursement process and reduce the possibility of the Village’s funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to a commitment of an obligation by the Village. When prior certification is not possible, “then and now” certification should be used.

We recommend the Village certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Village incurs a commitment and only when the requirements of 5705.41(D) are satisfied.

FINDING NUMBER 2019-003

Material Weakness - Accurate Posting of Transactions

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Sound financial reporting is the responsibility of the Fiscal Officer and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The Fiscal Officer did not abide by the adopted chart of account in coding and classifying two transactions in 2018. This resulted in adjustment to the financial statements and not the system fund balance as it nets out to zero. The corrected amounts are reflected in the accompanying financial statements.

In 2018, a County Road revenue and expenditure transaction for the amount of \$20,797 was posted to the Capital Project Fund rather than the County Road Special Revenue fund. An adjustment was made to the financial statements and no adjustment was required to the accounting system as the fund balance resulted in a zero modification.

During 2018, a distribution of \$4,050 for loan #8227 by OWDA was not posted to the financial statement. An adjustment to the financial statements were made to record the \$4,028 loan proceeds and Contractual Services to book the expense.

During 2019, a distribution of \$1,043,354 for loan #8227 by OWDA was posted by the Fiscal Officer at the original approved loan amount of \$1,154,892. An adjustment to the financial statements and the books were made to record the amount distributed in 2019 by OWDA.

In addition, Governmental Accounting Standards Board (GASB) Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions gives definitions for each of the following fund types General, Special Revenue, Capital Project, Debt Service, and Permanent. GASB Statement No. 54 also establishes fund balance classifications that stipulate use of fund balances based on the extent to which a government is required to observe constraints imposed upon the use of the resources reported in governmental funds and for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority..

- In 2019 and 2018, within the Hinkle System, the entire fund balance for the Special Revenue Funds opinion unit was improperly reported as assigned rather than restricted.

VILLAGE OF WAYNESBURG, Ohio
Stark County

SCHEDULE OF FINDINGS
December 31, 2018 - 2019

FINDING NUMBER 2019-003 *(continued)*

- In 2019 and 2018, within the Hinkle System, the entire fund balance for the Capital Project Fund opinion unit was improperly reported as unassigned rather than restricted.

Also based on provisions in GASB 54, paragraph 16 and Implementation Guide Z.54.13 assigned balances include year-end general fund balances appropriated in the subsequent year. The Village's 2020 appropriations of \$320,022 within the General Fund were higher than the estimated resources of \$70,963 by \$178,097 therefore the fund amount at year-end balance of \$101,387 should be reported as assigned in 2019. The Village's 2019 appropriations of \$235,422 within the General Fund were higher than the estimated resources of \$70,963 by \$93,497, therefore the fund amount at year-end balance of \$73,685 should be reported as assigned in 2018.

The financial statements reflect all of the above corrections.

The Fiscal Officer should utilize the Ohio Village's accounting manual to assist in identifying proper accounts and funds. In addition, the Board should review monthly receipt and disbursement reports to help ensure transactions are properly classified. This may help ensure the Village's financial activity is accurately reported. Also, the Fiscal Officer should review the subsequent year appropriations and estimated resources to determine if the General Fund appropriations exceed estimated resources. The excess amount should be reported as assigned fund balance within the General Fund's fund balance in accordance with the provisions of GASB 54, paragraph 16 and Implementation Guide Z.54.13.

This page intentionally left blank

VILLAGE OF WAYNESBURG, Ohio
Stark County

SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2018 and December 31, 2019

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2017-001	Non-compliance/Material Weakness Ohio Rev. Code §5705.41(D) Fiscal Officer failed to certify the expenditures prior to incurring the obligation.	No	Not Corrected Repeated as 2019-001

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WAYNESBURG

STARK 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 12/15/2020

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

This report is a matter of public record and is available online at
www.ohioauditor.gov