

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

Financial Statements
(Audited)

For The Years Ended
December 31, 2013 and 2012

CARRIE AYERS, FISCAL OFFICER



Dave Yost • Auditor of State

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, 2012 through December 31, 2013. 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 "Dave Yost".

Dave Yost
Auditor of State

July 15, 2014

This page intentionally left blank.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report.....	1 - 2
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For The Year Ended December 31, 2013	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - Proprietary Fund Type - For The Year Ended December 31, 2013	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For The Year Ended December 31, 2012	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Proprietary and Fiduciary Fund Types - For The Year Ended December 31, 2012	6
Notes to the Financial Statements	7 - 17
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	18 - 19
Schedule of Findings and Responses	20 - 21
Schedule of Prior Audit Findings.....	22



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Village of Amanda
Fairfield County
116 East Main Street
Amanda, Ohio 43102-0250

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Amanda, Fairfield County, Ohio, as of and for the years ended December 31, 2013 and 2012.

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 statements 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 opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

As described in Note 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, to satisfy these requirements.

Members of Council and Mayor
Village of Amanda
Page Two

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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, 2013 and 2012, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Amanda, Fairfield County, Ohio, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the Village of Amanda had a prior period fund balance adjustment to its beginning January 1, 2012 fund balances in the special revenue and enterprise fund types. 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 June 27, 2014, 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.
June 27, 2014

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Property and local taxes	\$ 23,222	\$ 30,632	\$ 53,854
Intergovernmental	13,714	51,308	65,022
Charges for services	71,982	-	71,982
Fines, licenses, and permits	895	-	895
Interest	208	208	416
Miscellaneous	3,331	3,842	7,173
Total cash receipts	<u>113,352</u>	<u>85,990</u>	<u>199,342</u>
Cash disbursements:			
Current:			
Security of persons and property	10,842	-	10,842
Leisure time activities	2,058	13,564	15,622
Basic utility services	50,442	-	50,442
Transportation	-	39,391	39,391
General government	61,884	308	62,192
Total cash disbursements	<u>125,226</u>	<u>53,263</u>	<u>178,489</u>
Net change in fund cash balances	(11,874)	32,727	20,853
Fund cash balances, January 1, 2013	<u>38,278</u>	<u>72,761</u>	<u>111,039</u>
Fund cash balances, December 31, 2013			
Restricted	-	105,488	105,488
Unassigned	26,404	-	26,404
Fund cash balances, December 31, 2013	<u>\$ 26,404</u>	<u>\$ 105,488</u>	<u>\$ 131,892</u>

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

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
BALANCES (CASH BASIS) - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2013

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 283,698
Other miscellaneous	11,000
Total operating cash receipts	294,698
Operating cash disbursements:	
Personal services	36,377
Employee fringe benefits	5,524
Contractual services	78,463
Supplies and material	32,327
Miscellaneous	11,000
Total operating cash disbursements	163,691
Operating income/(loss)	131,007
Nonoperating cash receipts/(disbursements):	
Special assessments	796
Other financing sources	811
Debt service:	
Principal	(84,445)
Interest	(66,978)
Total nonoperating cash receipts/(disbursements)	(149,816)
Net income/(loss)	(18,809)
Fund cash balances, January 1, 2013	232,027
Fund cash balances, December 31, 2013	\$ 213,218

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

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Property and local taxes	\$ 23,411	\$ 31,103	\$ 54,514
Intergovernmental	35,186	38,504	73,690
Special assessments	-	850	850
Charges for services	65,307	-	65,307
Fines, licenses, and permits	2,845	-	2,845
Interest	381	381	762
Miscellaneous	4,180	150	4,330
Total cash receipts	<u>131,310</u>	<u>70,988</u>	<u>202,298</u>
Cash disbursements:			
Current:			
Security of persons and property	11,956	-	11,956
Leisure time activities	2,363	-	2,363
Basic utility services	53,936	-	53,936
Transportation	-	102,821	102,821
General government	46,477	660	47,137
Total cash disbursements	<u>114,732</u>	<u>103,481</u>	<u>218,213</u>
Net change in fund cash balances	16,578	(32,493)	(15,915)
Fund cash balances, January 1, 2012, restated	<u>21,700</u>	<u>105,254</u>	<u>126,954</u>
Fund cash balances, December 31, 2012			
Restricted	-	72,761	72,761
Unassigned	38,278	-	38,278
Fund cash balances, December 31, 2012	<u>\$ 38,278</u>	<u>\$ 72,761</u>	<u>\$ 111,039</u>

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

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
BALANCES (CASH BASIS) - All PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	Total (Memorandum Only)
	<u>Enterprise</u>	<u>Agency</u>	<u> </u>
Operating cash receipts:			
Charges for services	\$ 276,870	-	276,870
Total operating cash receipts	<u>276,870</u>	<u>-</u>	<u>276,870</u>
Operating cash disbursements:			
Personal services	39,246	-	39,246
Employee fringe benefits	5,433	-	5,433
Contractual services	80,243	-	80,243
Supplies and material	30,107	-	30,107
Miscellaneous	3,050	-	3,050
Total operating cash disbursements	<u>158,079</u>	<u>-</u>	<u>158,079</u>
Operating income/(loss)	<u>118,791</u>	<u>-</u>	<u>118,791</u>
Nonoperating cash receipts/(disbursements):			
Special assessments	1,968	-	1,968
Other financing sources	315	-	315
Other financing uses	-	(15,600)	(15,600)
Debt service:			
Principal	(82,476)	-	(82,476)
Interest	(68,915)	-	(68,915)
Total nonoperating cash receipts/(disbursements)	<u>(149,108)</u>	<u>(15,600)</u>	<u>(164,708)</u>
Net income/(loss)	(30,317)	(15,600)	(45,917)
Fund cash balances, January 1, 2012, restated	<u>262,344</u>	<u>15,600</u>	<u>277,944</u>
Fund cash balances, December 31, 2012	<u>\$ 232,027</u>	<u>\$ -</u>	<u>\$ 232,027</u>

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

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 1 - DESCRIPTION OF THE ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Amanda, Fairfield County, (the "Village"), as a body corporate and politic. A publicly elected six-member Council governs 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 10 to the financial statements provides additional information for this entity. The organization is:

Jointly 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

The most significant of the Village's accounting policies are described below.

A. FUND ACCOUNTING

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

General Fund

The general fund accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Funds

These funds account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Village had the following significant Special Revenue Funds:

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

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

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 the 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.

Fiduciary Funds

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 insurance and bond money received from a house fire within the Village. This money was returned in 2012 once the property clean up was completed.

B. ACCOUNTING BASIS

These financial statements follow the accounting basis the Auditor of State prescribes or permits. 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 Auditor of State prescribes or permits.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. BUDGETARY PROCESS

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2013 and 2012 budgetary activity appears in Note 4.

D. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

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

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws of regulations of other governments; or is imposed by law through constitutional provisions.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Committed

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

4. Assigned

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

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in 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.

E. 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.

F. 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.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. 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.

NOTE 3 - EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	<u>2013</u>	<u>2012</u>
Demand deposits	\$ 288,187	\$ 286,143
Certificate of Deposits	<u>56,923</u>	<u>56,923</u>
Total deposits and investments	<u>\$ 345,110</u>	<u>\$ 343,066</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 4 - BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 150,292	\$ 113,352	\$ (36,940)
Special Revenue	137,302	85,990	(51,312)
Enterprise	532,665	296,305	(236,360)
Total	<u>\$ 820,259</u>	<u>\$ 495,647</u>	<u>\$ (324,612)</u>

2013 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 150,292	\$ 125,226	\$ 25,066
Special Revenue	137,302	53,263	84,039
Enterprise	475,306	315,114	160,192
Total	<u>\$ 762,900</u>	<u>\$ 493,603</u>	<u>\$ 269,297</u>

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 139,730	\$ 131,310	\$ (8,420)
Special Revenue	188,480	70,988	(117,492)
Enterprise	544,341	279,153	(265,188)
Total	<u>\$ 872,551</u>	<u>\$ 481,451</u>	<u>\$ (391,100)</u>

2012 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 139,730	\$ 114,732	\$ 24,998
Special Revenue	188,480	103,481	84,999
Enterprise	415,824	309,470	106,354
Total	<u>\$ 744,034</u>	<u>\$ 527,683</u>	<u>\$ 216,351</u>

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 5 - PROPERTY TAX

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

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

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

NOTE 6 - DEBT

At December 31, 2013 and December 31, 2012, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/2013</u>	<u>Balance at 12/31/2012</u>
Sewer Mortgage Revenue Bonds	\$ 629,500	\$ 648,100
OWDA Loan #3985	89,363	91,915
OWDA Loan #4667	1,741,138	1,798,155
OPWC Loan #CQ11J	90,987	97,263
Total	<u>\$2,550,988</u>	<u>\$2,635,433</u>

Transactions for the years ended December 31, 2013 and December 31, 2012 are summarized as follows:

<u>2013</u>	<u>Balance at 12/31/2012</u>	<u>Proceeds</u>	<u>Retirements</u>	<u>Balance at 12/31/2013</u>
Sewer Mortgage Revenue Bonds	\$ 648,100	\$ -	\$ (18,600)	\$ 629,500
OWDA Loan #3985	91,915	-	(2,552)	89,363
OWDA Loan #4667	1,798,155	-	(57,017)	1,741,138
OPWC Loan #CQ11J	97,263	-	(6,276)	90,987
Total	<u>\$ 2,635,433</u>	<u>\$ -</u>	<u>\$ (84,445)</u>	<u>\$ 2,550,988</u>

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 6 - DEBT - (Continued)

<u>2012</u>	Balance at 12/31/2011	Proceeds	Retirements	Balance at 12/31/2012
Sewer Mortgage Revenue Bonds	\$ 665,700	\$ -	\$ (17,600)	\$ 648,100
OWDA Loan #3985	94,345	-	(2,430)	91,915
OWDA Loan #4667	1,854,326	-	(56,171)	1,798,155
OPWC Loan #CQ11J	103,538	-	(6,275)	97,263
Total	<u>\$ 2,717,909</u>	<u>\$ -</u>	<u>\$ (82,476)</u>	<u>\$ 2,635,433</u>

The Sewer Mortgage Revenue Bonds were obtained for the purpose of paying the costs of constructing the Village's sewer system. The loan will be repaid in over 40 years. The loan is secured by sewer receipts. The Village has agreed to set utility rates sufficient to cover debt service requirements.

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 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Sewer Mortgage Revenue Bond covenant requires the Village to establish and fund a debt service reserve fund, included as a debt service fund. The balance in the fund at December 31, 2013 is \$54,375.

The 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 semi-annual 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.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 6 - DEBT - (Continued)

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

Year Ending December 31,	Sewer Mortgage Revenue Bonds		Year Ending December 31,	#3985 OWDA Loan	
	Principal	Interest		Principal	Interest
2014	\$ 19,600	\$ 34,623	2014	\$ 1,324	\$ 2,239
2015	20,700	33,545	2015	2,750	4,376
2016	21,800	32,406	2016	2,888	4,238
2017	23,100	31,207	2017	3,035	4,091
2018	24,300	29,937	2018	3,189	3,937
2019 - 2023	143,000	128,123	2019 - 2023	18,543	17,086
2024 - 2028	186,900	84,207	2024 - 2028	23,747	11,882
2029 - 2032	190,100	26,836	2029 - 2033	30,412	5,218
Total	<u>\$ 629,500</u>	<u>\$ 400,884</u>	2034	3,475	87
			Total	<u>\$ 89,363</u>	<u>\$ 53,154</u>

Year Ending December 31,	#4667 OWDA Loan		Year Ending December 31,	#CQ11J OPWC Loan
	Principal	Interest		Principal
2014	\$ 28,830	\$ 13,059	2014	\$ 3,138
2015	58,310	25,466	2015	6,275
2016	59,187	24,589	2016	6,275
2017	60,078	23,698	2017	6,275
2018	60,983	22,794	2018	6,275
2019 - 2023	318,967	99,913	2019 - 2023	31,375
2024 - 2028	343,712	75,169	2024 - 2028	31,374
2029 - 2033	370,381	48,499	Total	<u>\$ 90,987</u>
2034 - 2038	399,114	19,766		
2039	41,576	312		
Total	<u>\$ 1,741,138</u>	<u>\$ 353,265</u>		

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 7 - RETIREMENT SYSTEM

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For the years ended December 31, 2013 and 2012, OPERS members contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants' gross salaries for 2013 and 2012, respectively. At December 31, 2013, all amounts for the years ended 2013 and 2012 have been paid.

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 - CONTINGENT LIABILITIES

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 10 - JOINTLY GOVERNED ORGANIZATIONS

Fairfield Regional Planning Commission

The Village appoints a member of Council to represent the Village on the 47 member board of the Fairfield 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.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 11 - PRIOR PERIOD FUND BALANCE ADJUSTMENTS

Prior period adjustments to the Village's financial statements were made to reflect the correct fund balance as of 12/31/11. This adjustment is due to a prior period receipt adjustment being recorded on the previous audit; however, the offsetting correlating disbursement adjustment was not made.

	Special Revenue Fund	Enterprise Fund
Balance as of December 31, 2011	\$ 147,040	\$ 220,558
Prior Period Adjustment	(41,786)	41,786
Adjusted January 1, 2012 Cash Balance	\$ 105,254	\$ 262,344

NOTE 12 - COMPLIANCE

The Village was in noncompliance with Ohio Revised Code Section 5705.41(D) for the years ended December 31, 2013 and 2012.



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

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
116 East Main Street
Amanda, Ohio 43102-0250

To the Members of Council and Mayor:

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 Village of Amanda, Fairfield County, Ohio, as of and for the years ended December 31, 2013 and 2012 and the related notes to the financial statements and have issued our report thereon dated June 27, 2014 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. In addition, as discussed in Note 11 to the financial statements, the Village of Amanda had a prior period fund balance adjustment to its beginning January 1, 2012 fund balances in the special revenue and enterprise fund types.

Internal Control Over Financial Reporting

As part of our financial statements 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 opinion 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.

Members of Council and Mayor
Village of Amanda

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village of Amanda'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. We consider findings 2013-VOA-001 and 2013-VOA-002 described in the accompanying schedule of findings and responses to be material weaknesses.

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 statements 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 one instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings and responses as item 2013-VOA-002.

Entity's Response 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 audit the Village of Amanda's responses 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 communication is not suitable for any other purpose.



Julian & Grube, Inc.
June 27, 2014

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2013 AND 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2013-VOA-001

Financial Statement Presentation - Material Weakness

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.

We noted the following audit adjustments:

FY 2013:

- \$10,000 of grant receipts was reclassified from miscellaneous receipts to intergovernmental receipts.
- \$3,298 of homestead and rollback receipts were recorded in property and local tax receipts instead of intergovernmental receipts in the General fund. In addition, amounts were recorded net instead of gross in the amount of \$32.
- \$4,124 of homestead and rollback receipts were recorded in property and local tax in the General fund instead of intergovernmental receipts in the Special Revenue street levy fund.
- \$97,177 of OWDA and OPWC loan principal and interest payments were misposted as other disbursements.

FY 2012:

- \$3,672 of homestead and rollback receipts were recorded in property and local tax receipts instead of intergovernmental receipts in the General fund. In addition, amounts were recorded net instead of gross in the amount of \$168.
- \$3,880 of homestead and rollback receipts were recorded in property and local tax in the General fund instead of intergovernmental receipts in the Special Revenue street levy fund. In addition, amounts were recorded net instead of gross in the amount of \$168.
- \$97,177 of OWDA and OPWC loan principal and interest payments were misposted as other disbursements.
- \$41,786 of beginning fund balance was improperly reported in the Special Revenue Fund type instead of the Enterprise Fund type.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2013 AND 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2013-VOA-001 - (Continued)

The Village's financial statements and, where applicable, the accounting records have been adjusted to accurately reflect these adjustments.

Not posting receipts and expenditures accurately to the ledgers resulted in the financial statements requiring audit adjustments and reclassification entries, including additional time and effort to identify the variances and discrepancies.

We recommend the Fiscal Officer take steps to ensure the accurate presentation of the financial statements. Transactions should be posted in accordance with procedures and posting guidelines established in the Uniform Accounting Network chart of accounts. By exercising accuracy in recording financial activity, the Village can reduce posting errors and increase the reliability of financial data throughout the year and at year end. The Fiscal Officer should review the audit adjustments identified above to ensure that similar errors are not reported in subsequent years.

Client Response: The Fiscal Officer will work on properly posting receipts and disbursements in accordance with the UAN manual in the future.

Finding Number	2013-VOA-002
----------------	--------------

Material Weakness/Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The Village had 40.74% and 17.07% of expenditures that were not timely certified for the years ended December 31, 2013 and December 31, 2012, respectively.

Without timely certification, the Village may expend more funds than available in the Treasury, in the process of collection or in the funds appropriated. It may also result in unnecessary purchases.

We recommend that all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. A policy and procedure statement adopted by the Council and distributed at least annually may be beneficial. The Village should consider using "Then" and "Now" certificates where applicable.

Client Response: The Village Fiscal Officer will work to improve this. The use of 'then' and 'now' certificates and blanket purchase orders will be utilized to try and comply with the Ohio Revised Code.

**VILLAGE OF AMANDA
FAIRFIELD COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</u>
2011-001	<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.	No	Repeated as Finding 2013-VOA-001
2011-002	<u>Appropriations Exceeding Estimated Resources</u> - Ohio Revised Code Section 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenues available for expenditure as certified by the budget commission. Ohio Revised Code Section 5705.36(A)(3) states upon a determination by the Fiscal Officer of a subdivision that the revenue to be collected by the subdivision will be greater than the amount included in an official certificate and the legislative authority intends to appropriate and expend the excess revenue, the Fiscal Officer shall certify the amount of the excess to the commission, and if the commission determines that the Fiscal Officer's certification is reasonable, the commission shall certify an amended official certificate reflecting the excess. Certain funds in 2011 and 2010 had appropriations over resources.	Yes	N/A
2011-003	<u>Prior Certification</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.	No	Repeated as Finding 2013-VOA-002

This page intentionally left blank.



Dave Yost • Auditor of State

VILLAGE OF AMANDA

FAIRFIELD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 29, 2014**