
ALGER & ASSOCIATES, Inc.



PROFESSIONAL FINANCIAL AND COMPLIANCE AUDIT SERVICES

VILLAGE OF WAYNESBURG

STARK COUNTY

REGULAR AUDIT

A&A

For the Year Ended

December 31, 2021

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North Canton, OH 44720
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OHIO AUDITOR OF STATE
KEITH FABER



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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, 2020 through December 31, 2021. 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 14, 2022

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VILLAGE OF WAYNESBURG
STARK COUNTY

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ALGER & ASSOCIATES, Inc.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

To the Members of Council and the Mayor:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Waynesburg, Stark County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2021, or the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. 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 and pervasive.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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,
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Date: 2022.10.24 10:10:58 -04'00'

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

October 20, 2022

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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, 2021

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
Cash Receipts			
Property and Other Local Taxes	\$44,504	\$80,285	\$124,789
Intergovernmental	29,013	130,354	159,367
Charges for Services		48,525	48,525
Fines, Licenses and Permits	40,046	453	40,499
Earnings on Investments	173	122	295
Miscellaneous	13,629	14,688	28,317
<i>Total Cash Receipts</i>	<u>127,365</u>	<u>274,427</u>	<u>401,792</u>
Cash Disbursements			
Current:			
Security of Persons and Property	50,291	66,853	117,144
Public Health Services		10,938	10,938
Transportation		22,932	22,932
General Government	64,022	78,915	142,937
Capital Outlay		4,618	4,618
Debt Service:			
Redemption of Principal	14,334		14,334
Interest and Other Fiscal Charges	996		996
<i>Total Cash Disbursements</i>	<u>129,643</u>	<u>184,256</u>	<u>313,899</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,278)</u>	<u>90,171</u>	<u>87,893</u>
Other Financing Receipts (Disbursements)			
Sale of Asssets	250	575	825
<i>Total Other Financing Receipts (Disbursements)</i>	<u>250</u>	<u>575</u>	<u>825</u>
<i>Net Change in Fund Cash Balances</i>	(2,028)	90,746	88,718
<i>Fund Cash Balances , January 1</i>	<u>75,522</u>	<u>133,516</u>	<u>209,038</u>
<i>Fund Cash Balances , December 31</i>	<u><u>\$73,494</u></u>	<u><u>\$224,262</u></u>	<u><u>\$297,756</u></u>

The notes to the financial statements are an integral part of this statement.

Village of Waynesburg, Ohio
Stark County
Combined Statement of Receipts, Disbursements and
Changes in Fund Balance (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2021

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$163,088
<i>Total Operating Cash Receipts</i>	163,088
Operating Cash Disbursements	
Personal Services	44,315
Employee Fringe Benefits	2,386
Contractual Services	76,803
Supplies and Materials	36,070
<i>Total Operating Cash Disbursements</i>	159,574
<i>Operating Income (Loss)</i>	3,514
Non-Operating Receipts (Disbursements)	
Principal Retirement	(40,862)
Interest and Other Fiscal Charges	(50,318)
<i>Total Non-Operating Cash Receipts (Disbursements)</i>	(91,180)
<i>Net Change in Fund Cash Balances</i>	(87,666)
<i>Fund Cash Balances, January 1</i>	332,820
<i>Fund Cash Balances, December 31</i>	\$245,154

The notes to the financial statements are an integral part of this statement.

Village of Waynesburg, Ohio
Stark County
Combined Statement of Additions, Deductions and
Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021

	Fiduciary Fund Type
	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$46,820
<i>Total Additions</i>	46,820
Deductions	
Distributions to Other Governments	6,420
Distributions to Other Funds (Primary Gov't)	39,840
<i>Total Deductions</i>	46,260
<i>Net Change in Fund Balances</i>	560
<i>Fund Cash Balances, January 1</i>	7,720
<i>Fund Cash Balances, December 31</i>	\$8,280

See accompanying notes to the basic financial statements

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Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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. The Village contracts with Mohawk Joint Valley Fire District to receive fire protection services.

Jointly Governed Organizations

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.

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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all 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.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

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

Street Construction Maintenance and Repair 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.

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

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 The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Water Improvement Fund The utility improvement fund accounts for loan proceeds from the Ohio Water Development Authority restricted to the utility plant expansion. A utility surcharge recorded in this fund will repay this loan.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for Mayor's court activities.

Fund Accounting (continued)

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

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.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial 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 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

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.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$125,000	\$127,615	\$2,615
Special Revenue	251,732	275,002	23,270
Enterprise	165,450	163,088	(2,362)
Total	\$542,182	\$565,705	\$23,523

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$159,099	\$129,685	\$29,414
Special Revenue	238,588	186,540	52,048
Enterprise	286,828	252,049	34,779
Total	\$684,515	\$568,274	\$116,241

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$58,000
Repurchase agreement	493,190
Total Deposits and Investments	\$551,190

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the village is holding \$1,758 in unremitted employee payroll withholdings.

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.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments *(continued)*

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 5 – Taxes

Property Taxes

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

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

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

Note 6 – Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 – Defined Benefit Pension Plans *(continued)*

Ohio Police and Fire Retirement System

The Village’s certified Fire Fighters and full-time Police Officers belong to the Ohio 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members’ wages. The Village has paid all contributions required through December 31, 2021.

Note 8 – 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 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
2016 Promissory Note Land Purchase	\$ 21,646	2.85%
2020 Promissory Note Ventrac Tractor	\$ 17,995	2.75%
OWDA Loan #8227	\$ 1,088,372	2.98%
Total	\$ 1,128,013	

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, 2021 of \$21,646 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 2020 Promissory Note relates to the purchase of a new Ventrac Tractor and accessories. There is a balance, as of December 31, 2021 of \$17,995 which will be repaid in monthly payments of \$551.02 of principal and interest. The loan through Consumer National Bank will be repaid by October 30, 2024 within the General fund.

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

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt *(continued)*

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; an additional \$103,091 was issued in 2020. 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	2020 Promisory Ventrac Mower	Total Memorandum
2022	\$6,455	\$6,613	\$13,068
2023	\$6,455	\$6,613	\$13,068
2024	\$6,455	\$6,610	\$13,065
2025	\$4,841		\$4,841
Total	\$24,206	\$19,836	\$44,042

Note 10 – 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, 2021

Note 10 – 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 11 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbranc	42	2,284	2,326
<i>Total</i>	\$42	\$2,284	\$2,326

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted committed or assigned. These restricted, committed and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village did not receive any COVID-19 funding, however received \$47,557 in American Rescue Plan Act funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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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, Ohio 44688

To the Members of Council and the Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statements of the Village of Waynesburg, Stark County, (the Village) and have issued our report thereon dated October 20, 2022, wherein we noted as described in Note 2 to the financial statements, the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. Furthermore, we noted as described in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2021-001 and 2021-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

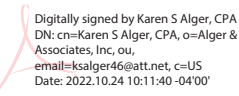
Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings, The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *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**
Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio



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Associates, Inc., ou,
email=ksalger46@att.net, c=US
Date: 2022.10.24 10:11:40 -0400

October 20, 2022

SCHEDULE OF FINDINGS
December 31, 2021

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>

FINDING NUMBER 2021-001

Material Weakness - Cash Reconciliations

In order to ensure the completeness and accuracy of the Village's accounting records, an adequate system of internal controls requires that monthly reconciliations be performed between the fund ledgers and bank depository.

To be effective, these reconciliations should include a thorough investigation and follow-up of all significant reconciling items.

The process allows you to determine if all items have been recorded and match the postings by the bank at the same amounts. If there is a discrepancy, this can be corrected fairly quickly. The accuracy of the transactions within the system allows the Trustees to have an accurate and up to date information to make the best decisions for the Village.

The cash reconciliation as of December 31, 2021 included several outstanding checks which had actually cleared the bank but not the system. Because of this the bank balances did not agree with the financial statements which did not agree with the system balances. The Fiscal Officer researched all the outstanding checks back to 2014 was able to correct the system for the outstanding checks through December 2021. However, the December 31, 2021 has a difference of \$1,701 between the bank balances and the book balances. The amount is deemed immaterial.

We recommend the Fiscal Officer review all the outstanding checks, compare to the system and make all the appropriate adjustments.

FINDING NUMBER 2021-002

Material Weakness – Adjustments

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.

Village of Waynesburg, Ohio
Stark County

SCHEDULE OF FINDINGS
December 31, 2021

FINDING NUMBER 2021-002 *(continued)*

Material Weakness – Adjustments *(continued)*

The Village does not have sufficient internal controls in place to help ensure receipts, expenditures, and fund balances are properly classified on the financial statements. As a result, below are descriptions of the adjustment that was deemed material and required posting to the Village's December 31, 2021 financial statement.

All receipts/disbursements should be properly classified as to the type of receipt/disbursement based on its source and purpose.

The following financial statement adjustment was identified and adjusted in the financial statements:

Adjustment:

- The American Rescue Plan Act of 2021 (Pub. L. No. 117-2) (ARP), provides additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. The local government will need a separate Special Revenue Fund to separate their receipts and expenditure activity. Although the Village of Waynesburg Council approved and created the American Rescue Plan Act (ARP) Fund as a Special Revenue fund, the Village posted the receipts and expenditure activity to the Capital Project Fund when compiling the Financial Statements. 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.

Not posting receipts and disbursements accurately results in the financial statements requiring adjustments and reclassifications. The Village has recorded this adjustment to the financial statements and where appropriate to the accounting records.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

Officials' Response: The Village Officials acknowledges the findings and is working to correct each of the items.

VILLAGE OF WAYNESBURG, Ohio
Stark County

Schedule of Prior Audit Findings
December 31, 2021

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2020-001	Material Weakness Cash Reconciliation	No	Not Corrected Repeated as 2021-001
2020-002	Material Weakness Misclassifications of receipts and disbursements.	No	Not Corrected Repeated as 2021-002
2020-003	Significant Deficiency Footnotes to the Financial Statements.	Partially	Refer to Management Letter

ALGER & ASSOCIATES, Inc.



PROFESSIONAL FINANCIAL AND COMPLIANCE AUDIT SERVICES

VILLAGE OF WAYNESBURG

STARK COUNTY

A&A
REGULAR AUDIT

For the Year Ended

December 31, 2020

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

VILLAGE OF WAYNESBURG
STARK COUNTY

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ALGER & ASSOCIATES, Inc.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

To the Members of Council and the Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and the related notes of the Village of Waynesburg, Stark County, Ohio (the Village)

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(C) 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(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

Though the Village 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(C) 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, 2020, and the respective changes in financial position thereof for the year 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 for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and related notes of the Village of Waynesburg, Portage County, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.


Emphasis of Matter

As discussed in Note 13 to the financial statements, during 2020, the Village of Waynesburg made changes to its reporting model. We did not modify our opinion regarding this matter.

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. 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 October 20, 2022, 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
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Associates, Inc, ou,
email=ksalger46@att.net, c=US
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Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

October 20, 2022

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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, 2020

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Property and Other Local Taxes	\$44,492	\$80,141		\$124,633
Intergovernmental	29,187	171,739	\$84,661	285,587
Charges for Services		31,675		31,675
Fines, Licenses and Permits	28,229	145		28,374
Earnings on Investments	2,447	1,386		3,833
Miscellaneous	36,426	5,814		42,240
<i>Total Cash Receipts</i>	<u>140,781</u>	<u>290,900</u>	<u>84,661</u>	<u>516,342</u>
Cash Disbursements				
Current:				
Security of Persons and Property	48,860	49,260		98,120
Public Health Services		32,280		32,280
Transportation		44,359		44,359
General Government	104,908	163,938	63,829	332,675
Capital Outlay		22,330		22,330
Debt Service:				
Redemption of Principal	12,264	267		12,531
Interest and Other Fiscal Charges	1,164	13		1,177
<i>Total Cash Disbursements</i>	<u>167,196</u>	<u>312,447</u>	<u>63,829</u>	<u>543,472</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(26,415)</u>	<u>(21,547)</u>	<u>20,832</u>	<u>(27,130)</u>
Other Financing Receipts (Disbursements)				
Loan Issue		300		300
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>
<i>Net Change in Fund Cash Balances</i>	(26,415)	(21,247)	20,832	(26,830)
<i>Fund Cash Balances , January 1</i>				
<i>Restate (see Note 3)</i>	<u>101,937</u>	<u>154,763</u>	<u>(20,832)</u>	<u>235,868</u>
<i>Fund Cash Balances , December 31</i>	<u><u>\$75,522</u></u>	<u><u>\$133,516</u></u>	<u><u>\$0</u></u>	<u><u>\$209,038</u></u>

The notes to the financial statements are an integral part of this statement.

Village of Waynesburg, Ohio
Stark County
Combined Statement of Receipts, Disbursements and
Changes in Fund Balance (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2020

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$162,445
Miscellaneous	813
	163,258
Operating Cash Disbursements	
Personal Services	43,992
Contractual Services	176,207
Supplies and Materials	29,533
Other	6,835
	256,567
<i>Total Operating Cash Disbursements</i>	<i>256,567</i>
<i>Operating Income (Loss)</i>	<i>(93,309)</i>
Non-Operating Receipts (Disbursements)	
Other Debt Proceeds	128,091
Sale of Fixed Assets	3,000
Capital Outlay	(32,657)
Principal Retirement	(12,733)
Interest and Other Fiscal Charges	(17,110)
	68,591
<i>Total Non-Operating Cash Receipts (Disbursements)</i>	<i>68,591</i>
<i>Net Change in Fund Cash Balances</i>	<i>(24,718)</i>
<i>Fund Cash Balances, January 1</i>	
<i>Restate (see Note 3)</i>	<i>357,538</i>
<i>Fund Cash Balances, December 31</i>	<i>\$332,820</i>

The notes to the financial statements are an integral part of this statement.

Village of Waynesburg, Ohio
Stark County
Combined Statement of Additions, Deductions and
Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2020

	Fiduciary Fund Type
	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$32,880
<i>Total Additions</i>	32,880
Deductions	
Distributions to Other Governments	3,020
Distributions to Other Funds (Primary Gov't)	27,920
<i>Total Deductions</i>	30,940
<i>Net Change in Fund Balances</i>	1,940
<i>Fund Cash Balances, January 1</i>	
<i>Restate (see Note 3)</i>	5,780
<i>Fund Cash Balances, December 31</i>	\$7,720
<i>See accompanying notes to the basic financial statements</i>	

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Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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. The Village contracts with Mohawk Joint Valley Fire District to receive fire protection services and Quad Ambulance District to provide emergency services.

Jointly Governed Organizations

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.

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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all 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, 2020

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.

Coronavirus Relief Fund – The coronavirus relief fund accounts for receipts and disbursements from federal grants provided by the Coronavirus Aid, Relief and Economic Security Act (CARES Act).

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 The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Water Improvement Fund The utility improvement fund accounts for loan proceeds from the Ohio Water Development Authority restricted to the utility plant expansion. A utility surcharge recorded in this fund will repay this loan.

Fiduciary Funds: Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for Mayor's court activities.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

Fund Accounting *(continued)*

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial 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 2020 budgetary activity appears in Note 4.

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.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Restatement of Fund Balance

	General	Special Revenue	Capital Project	Enterprise	Custodial	Total
Fund Cash Balance						
December 31, 2019	\$101,387	\$152,594	(\$20,832)	\$355,335	\$0	\$588,484
Voided Prior Year's Warrants	<u>550</u>	<u>2,169</u>	<u>-</u>	<u>2,203</u>	<u>5,780</u>	<u>10,702</u>
Adjusted Fund Cash Balance						
December 31, 2019	<u>\$101,937</u>	<u>\$154,763</u>	<u>(\$20,832)</u>	<u>\$357,538</u>	<u>\$5,780</u>	<u>\$599,186</u>

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$140,548	\$140,781	\$233
Special Revenue	285,653	291,200	5,547
Capital Projects	84,661	84,661	0
Enterprise	218,537	294,349	75,812
Total	<u>\$729,399</u>	<u>\$810,991</u>	<u>\$81,592</u>

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$177,308	\$176,945	\$363
Special Revenue	351,049	315,223	35,826
Capital Projects	64,468	63,829	639
Enterprise	354,793	323,284	31,509
Total	<u>\$947,618</u>	<u>\$879,281</u>	<u>\$68,337</u>

Note 5 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 5 – Deposits and Investments *(continued)*

	<u>2020</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$58,000
Repurchase agreement	<u>491,578</u>
Total Deposits and Investments	<u><u>\$549,578</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the village is holding \$1,565 in unremitted employee payroll withholdings.

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

Ohio Police and Fire Retirement System

The Village's certified full-time Police Officers belong to the Ohio 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2020.

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 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees 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, 2020

Note 10 – Debt

Debt outstanding at December 31, 2020, was as follows:

	Principal	Interest Rate
2016 Promissory Note Land Purchase	\$ 27,495	2.85%
2017 Promissory Note Ford Explorer	\$ 5,505	2.50%
2020 Promissory Note Ventrac Tractor	\$ 24,013	2.75%
OWDA Loan #8227	\$ 1,126,196	2.98%
Total	\$ 1,183,209	

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, 2020 of \$27,495 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, 2020 of \$5,505 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.

On October 30, 2020 the Village entered into a Promissory Note to the purchase a Ventrac Tractor and accessories for \$25,000. There is a balance, as of December 31, 2020 of \$24,013 which will be repaid in monthly payments of \$551.02 of principal and interest. The loan through Consumer National Bank will be repaid by October 30, 2024 within the General 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; an additional \$103,091 was issued in 2020. The loan is for a 30-year term. No amortization is available.

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Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 10 – Debt *(continued)*

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	2020 Promisory Ventrac Mower	Total Memorandum
2021	\$6,455	\$6,142	\$6,613	\$19,210
2022	\$6,455		\$6,613	\$13,068
2023	\$6,455		\$6,613	\$13,068
2024	\$6,455		\$6,612	\$13,067
2025	\$4,841			\$4,841
Total	<u>\$30,661</u>	<u>\$6,142</u>	<u>\$26,451</u>	<u>\$63,254</u>

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, 2020

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 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	9,749	2,776	0	12,525
<i>Total</i>	<u>\$9,749</u>	<u>\$2,776</u>	<u>\$0</u>	<u>\$12,525</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted committed or assigned. These restricted, committed and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – Change in Accounting Principles

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) -- All Fiduciary Fund Types, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

Village of Waynesburg, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 14 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. (customize as needed) In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received CARES Act funding. Of the amounts received, \$6,321 was sub-granted to other governments and organization. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

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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, Ohio 44688

To the Members of Council and the 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 cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and the related notes of the Village of Waynesburg, Stark County, (the Village) and have issued our report thereon dated October 20, 2022, wherein we noted as described in Note 2 to the financial statements, the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. In addition, as described in Note 13 to the financial statements, the Village made changes to its reporting model. Furthermore, we noted as described in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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 we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. We consider findings 2020-001 and 2020-002 described in the accompanying schedule of findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2020-003 described in the accompanying schedule of findings to be a significant deficiency.

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 financial statements. 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings, The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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: 2022.10.24 10:09:34 -04'00'

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

October 20, 2022

SCHEDULE OF FINDINGS
December 31, 2020

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

FINDING NUMBER 2020-001

Material Weakness - Cash Reconciliations

In order to ensure the completeness and accuracy of the Village's accounting records, an adequate system of internal controls requires that monthly reconciliations be performed between the fund ledgers and bank depository.

To be effective, these reconciliations should include a thorough investigation and follow-up of all significant reconciling items.

The process allows you to determine if all items have been recorded and match the postings by the bank at the same amounts. If there is a discrepancy, this can be corrected quickly. The accuracy of the transactions within the system allows Council to have an accurate and up to date information to make the best decisions for the Village.

The cash reconciliation as of December 31, 2020 included several outstanding checks which had cleared the bank but not corrected in the system. Because of this the bank balances did not agree with the financial statements which did not agree with the system balances. The Fiscal Officer researched all the outstanding checks back to 2014 and was able to correct the system for all the outstanding checks. However, the December 31, 2020 has a difference of \$4,786 between the bank balances and the book balances. This amount is deemed immaterial.

We recommend the Fiscal Officer review all the outstanding checks and compare to the system and make all the appropriate adjustments.

FINDING NUMBER 2020-002

Material Weakness – Adjustments and Reclassifications

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.

Village of Waynesburg, Ohio
Stark County

SCHEDULE OF FINDINGS
December 31, 2020

FINDING NUMBER 2020-002 *(continued)*

Material Weakness – Adjustments and Reclassifications *(continued)*

The Village does not have sufficient internal controls in place to help ensure receipts, expenditures, and fund balances are properly classified on the financial statements. As a result, below are descriptions of the reclassifications and adjustments that were deemed material and required posting to the Village's December 31, 2020 financial statement.

All receipts/disbursements should be properly classified as to the type of receipt/disbursement based on its source and purpose.

The following financial statement reclassifications and adjustments were identified and adjusted in the financial statements:

Adjustments:

- During 2020, an additional \$103,091 for loan #8227 by OWDA was distributed to the Village, the financial statements did not reflect the of OWDA distribution. An adjustment was made to the financial statements and to the accounting system.
- Per House Bill (HB) 481 as amended by HB 614, local governments receiving CARES Act are to setup a separate fund to account for their Coronavirus Relief Fund activity. Per the HB the local government will need a separate Special Revenue Fund to separate their receipts and expenditure activity. Although the Village Council approved and created the Coronavirus Relief Fund as a Special Revenue fund, the Village recorded the activity in the Capital Project Fund when compiling the Financial Statements. 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.
- The beginning balances were not correctly presented in the Enterprise Fund due to an adjustment made in the prior audit but not correctly reflected in the system. An adjustment has been made to reflect the correct beginning balance of January 1, 2020.

Reclassification:

- Reclassification of receipts from county distribution in the amount of \$4,634 improperly posted to Police Fund (Special Revenue Fund) Miscellaneous receipts rather than Intergovernmental Receipts.

Not posting receipts and disbursements accurately results in the financial statements requiring several adjustments and reclassifications. The Village has recorded these reclassifications and adjustments to the financial statements and where appropriate to the accounting records.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

Village of Waynesburg, Ohio
Stark County

SCHEDULE OF FINDINGS
December 31, 2020

FINDING NUMBER 2020-003

Significant Deficiency - Footnotes to the Financial Statements

Footnotes to the financial statements are an integral part to the financial statements and are the responsibility of management for the preparation and fair presentation. The footnotes accompanying the financial statements submitted to the Hinkle system were nmissing two new significant footnotes missing. All applicable corrections were made.

The Village's footnotes submitted to the Hinkle system lacked the Fund Balance footnote and the Changes in Accounting Principles footnote. Additionally, the amounts in the "Budgetary Activity" footnote had errors in the both the "Budgeted Receipts" and the "Appropriations Authority" columns.

The accompanying financial statements' footnotes have been adjusted for these errors. It is possible that the lack of a final financial statement and footnotes review prior to filing may have contributed to these errors not being detected. Financial reporting errors impact the users' understanding of the financial statements and the ability of Council and management to make sound financial decisions.

Prior to filing, the annual financial statements, the Village should update and review all the footnotes before submitting to the Hinkle system, and accounting records should be reviewed for errors and omissions. The current and updated footnotes are found on the Auditor of State's website at <https://ohioauditor.gov/references.html>.

Officials' Response: The Village Officials acknowledges the findings and is working to correct each of the items.

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VILLAGE OF WAYNESBURG, Ohio
Stark County

SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2020

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2019-001	Non-compliance/Material Weakness Ohio Rev. Code §5705.10(I) Negative fund balance	Yes	No Longer Valid
2019-002	Non-compliance/Material Weakness Ohio Rev. Code §5705.41(D) Fiscal Officer failed to certify the expenditures prior to incurring the obligation.	Partial	Refer to Management Letter
2019-003	Material Weakness Misclassifications of receipts and disbursements.	No	Not Corrected Repeated as 2020-002

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 11/29/2022

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