





VILLAGE OF WAYNE  
WOOD COUNTY

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Village of Wayne  
Wood County  
125 Schoolhouse Street  
P.O. Box 39  
Wayne, Ohio 43466-0039

To the Village Council:

### ***Report on the Audit of the Financial Statements***

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of the Village of Wayne, Wood 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 years ended December 31, 2021 and 2020, 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 years ended December 31, 2021 and 2020, 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 and 2020, or the changes in financial position or, where applicable, cash flows thereof for the years 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 11 and Note 13 to the 2021 and 2020 financial statements, respectively, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. Our opinion is not modified with respect to 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 Village'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 January 27, 2023, 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 27, 2023

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Village of Wayne  
Wood 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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$22,203	\$68,402		\$90,605
Municipal Income Tax	125,506			125,506
Intergovernmental	25,151	241,524		266,675
Special Assessments		14,289		14,289
Charges for Services	5,985	61,473		67,458
Fines, Licenses and Permits	11,404	115		11,519
Miscellaneous	505	189		694
<i>Total Cash Receipts</i>	<u>190,754</u>	<u>385,992</u>		<u>576,746</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property		204,429		204,429
Public Health Services	335			335
Leisure Time Activities	17,083	5,360		22,443
Community Environment	4,503			4,503
Basic Utility Services	1,539			1,539
Transportation		52,583		52,583
General Government	141,995	526		142,521
Debt Service:				
Principal Retirement		6,459		6,459
Interest and Fiscal Charges		455		455
<i>Total Cash Disbursements</i>	<u>165,455</u>	<u>269,812</u>		<u>435,267</u>
<i>Excess of Receipts Over Disbursements</i>	<u>25,299</u>	<u>116,180</u>		<u>141,479</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets			\$2,800	2,800
Transfers In		1,500		1,500
Transfers Out	(1,500)			(1,500)
Other Financing Sources				0
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,500)</u>	<u>1,500</u>	<u>2,800</u>	<u>2,800</u>
<i>Net Change in Fund Cash Balances</i>	23,799	117,680	2,800	144,279
<i>Fund Cash Balances, January 1</i>	<u>349,549</u>	<u>341,023</u>		<u>690,572</u>
<i>Fund Cash Balances, December 31</i>	<u>\$373,348</u>	<u>\$458,703</u>	<u>\$2,800</u>	<u>\$834,851</u>

See accompanying notes to the basic financial statements

Village of Wayne  
Wood County  
Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
Proprietary Fund Type  
For the Year Ended December 31, 2021

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$481,695
<b>Operating Cash Disbursements</b>	
Personal Services	46,416
Employee Fringe Benefits	26,591
Contractual Services	29,130
Supplies and Materials	42,682
<i>Total Operating Cash Disbursements</i>	144,819
<i>Operating Income</i>	336,876
<b>Non-Operating Receipts (Disbursements)</b>	
Earnings on Investments	2
Capital Outlay	(1,000)
Principal Retirement	(94,117)
Interest and Other Fiscal Charges	(101,083)
<i>Total Non-Operating Receipts (Disbursements)</i>	(196,198)
<i>Net Change in Fund Cash Balances</i>	140,678
<i>Fund Cash Balances, January 1</i>	783,032
<i>Fund Cash Balances, December 31</i>	\$923,710

*See accompanying notes to the basic financial statements*

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

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	Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$3,536
<b>Deductions</b>	
Distributions to Other Governments	863
Distributions to Other Funds (Primary Gov't)	2,593
<i>Total Deductions</i>	3,456
<i>Net Change in Fund Balances</i>	80
<i>Fund Cash Balances, January 1</i>	150
<i>Fund Cash Balances, December 31</i>	\$230

*See accompanying notes to the basic financial statements*

Village of Wayne  
Wood County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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**Note 1 – Reporting Entity**

The Village of Wayne, Wood County, Ohio (the Village) 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 and sewer utilities, park operations, and police services. The Village appropriates fire levy money to support a volunteer fire department.

**Public Entity Risk Pool**

The Village participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**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:

**FEMA** The FEMA fund accounts for and reports Federal grant funds restricted for the purchase of equipment for the fire department.

**Fire Department Fund** The fire department fund receives property tax money from the Village and Montgomery Township to pay for fire protection services.

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

**Police Capital Projects Fund** The police capital projects fund accounts for and reports proceeds from the sale of capital assets that are restricted for the acquisition of new police equipment and other capital improvements.

**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:

Village of Wayne  
Wood County  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Water Operating Fund** The water operating fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

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

**Enterprise Debt Service/Water Fund** The enterprise debt service/water fund accounts for charges for services revenues restricted for debt service associated with the water treatment plant.

**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 fines and forfeitures.

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 2021 budgetary activity appears in Note 3.

Village of Wayne  
Wood County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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**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.

**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 10.

Village of Wayne  
Wood 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	\$137,191	\$190,754	\$53,563
Special Revenue	463,081	387,492	(75,589)
Capital Projects		2,800	2,800
Enterprise	377,900	481,697	103,797
Total	\$978,172	\$1,062,743	\$84,571

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$244,437	\$206,412	\$38,025
Special Revenue	485,564	270,171	215,393
Enterprise	408,486	342,075	66,411
Total	\$1,138,487	\$818,658	\$319,829

**Note 4 – Deposits**

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
<b>Cash Management Pool:</b>	
Demand deposits	\$1,758,641
Cash on hand	150
Total Deposits	\$1,758,791

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 no 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 Wayne  
Wood County  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**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.

***Income Taxes***

The Village levies a municipal income tax of 0.75 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**Note 6 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Risk Pool Membership***

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown



Village of Wayne  
Wood County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2021
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$14,974,099

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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.

**Note 9 – Debt**

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

	Principal	Interest Rate
USDA Rural Development Loan - Water	\$1,270,900	4.38%
USDA Rural Development Loan - Sewer	803,000	5.13%
Ohio Public Works Commission Loan	20,587	0.00%
Ohio Water Development Authority Loan	9,153	0.00%
Police Cruiser Lease	27,541	3.00%
Fire Truck Lease	168,327	2.79%
Total	\$2,299,508	

Village of Wayne  
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Notes to the Financial Statements  
For the Year Ended December 31, 2021

The USDA Rural Development Loans were obtained for water and sewer system improvement projects. The USDA loans will be repaid over 40 years for the sewer and 30 years for the water. The Village has agreed to set utility rates sufficient to cover USDA Rural Development debt service requirements. The mortgage revenue bond covenants require the Village to establish and fund debt service reserve funds for each loan, included as a debt service fund. The balances in these funds at December 31, 2020, are \$78,000 for the sewer reserve and \$117,500 for the water reserve funds.

The Ohio Public Works Commission (OPWC) loan #CE53Q relates to the 2014 South Street Storm Sewer Replacement for \$26,985 and biannual payments are \$450 for 30 years.

The Ohio Water Development Authority (OWDA) loan is for the development of an asset management plan for the Village of Wayne. The loan will be for \$20,170, with \$10,000 of the loan forgiven, and biannual payments over 5 years.

**Leases**

The Village entered into a lease for a new Ford Interceptor police cruiser during 2020, in the amount of \$33,100. The Village made \$6,014 in disbursements to pay lease costs for the year ended December 31, 2021.

The Village entered into a lease for a new multi-purpose rescue fire apparatus truck during 2021, in the amount of \$168,327. The Village made no disbursements to pay lease costs for the year ended December 31, 2021. The Village will make five annual lease payments, commencing in 2022.

**Amortization**

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

Year Ending December 31:	Police Cruiser Lease	Fire Truck Lease	USDA Sewer Loan	USDA Water Loan	OPWC Loan	OWDA Loan
2022	\$6,014	\$36,535	\$79,154	\$117,402	\$899	\$2,034
2023	6,014	36,535	78,206	117,298	900	2,034
2024	6,014	36,535	77,207	117,181	899	2,034
2025	6,014	36,535	78,158	117,345	900	2,034
2026	6,014	36,534	77,954	117,274	899	1,017
2027-2031			388,766	586,790	4,498	
2032-2036			390,505	586,571	4,497	
2037-2041					4,498	
2042-2044					2,597	
Total	<u>\$30,070</u>	<u>\$182,674</u>	<u>\$1,169,950</u>	<u>\$1,759,861</u>	<u>\$20,587</u>	<u>\$9,153</u>

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**Note 10 – 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:

Village of Wayne  
Wood County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$39,457	\$359	\$39,816

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

**Note 11 – 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 received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may 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.

Village of Wayne  
Wood 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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$20,472	\$67,047		\$87,519
Municipal Income Tax	127,054			127,054
Intergovernmental	31,129	153,784		184,913
Special Assessments		14,233		14,233
Charges for Services	5,883	53,138		59,021
Fines, Licenses and Permits	7,146	65		7,211
Miscellaneous	23,707	7,263		30,970
<i>Total Cash Receipts</i>	<u>215,391</u>	<u>295,530</u>		<u>510,921</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property		216,084		216,084
Public Health Services	179			179
Leisure Time Activities	4,115	25,633		29,748
Community Environment	4,002			4,002
Basic Utility Services	1,211			1,211
Transportation		53,912		53,912
General Government	121,993	35,491		157,484
Capital Outlay			\$4,400	4,400
Debt Service:				
Principal Retirement		1,000		1,000
<i>Total Cash Disbursements</i>	<u>131,500</u>	<u>332,120</u>	<u>4,400</u>	<u>468,020</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>83,891</u>	<u>(36,590)</u>	<u>(4,400)</u>	<u>42,901</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In		11,031		11,031
Transfers Out	(11,031)			(11,031)
Other Financing Uses		(1,362)		(1,362)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(11,031)</u>	<u>9,669</u>		<u>(1,362)</u>
<i>Net Change in Fund Cash Balances</i>	72,860	(26,921)	(4,400)	41,539
<i>Fund Cash Balances, January 1</i>	<u>276,689</u>	<u>367,944</u>	<u>\$4,400</u>	<u>649,033</u>
<i>Fund Cash Balances, December 31</i>	<u>\$349,549</u>	<u>\$341,023</u>		<u>\$690,572</u>

See accompanying notes to the basic financial statements

Village of Wayne  
Wood County  
Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
Proprietary Fund Type  
For the Year Ended December 31, 2020

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$462,827
Miscellaneous	3,108
	465,935
<b>Operating Cash Disbursements</b>	
Personal Services	45,062
Employee Fringe Benefits	25,162
Contractual Services	29,306
Supplies and Materials	32,656
	132,186
<i>Total Operating Cash Disbursements</i>	132,186
<i>Operating Income</i>	333,749
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental Receipts	9,965
Earnings on Investments	2
Loans Issued	10,035
Principal Retirement	(89,500)
Interest and Other Fiscal Charges	(105,247)
	(174,745)
<i>Total Non-Operating Receipts (Disbursements)</i>	(174,745)
<i>Net Change in Fund Cash Balances</i>	159,004
<i>Fund Cash Balances, January 1</i>	624,028
<i>Fund Cash Balances, December 31</i>	\$783,032

See accompanying notes to the basic financial statements

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

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	Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$2,216
<b>Deductions</b>	
Distributions to Other Governments	413
Distributions to Other Funds (Primary Gov't)	1,733
<i>Total Deductions</i>	2,146
<i>Net Change in Fund Balances</i>	70
<i>Fund Cash Balances, January 1</i>	80
<i>Fund Cash Balances, December 31</i>	\$150

*See accompanying notes to the basic financial statements*

Village of Wayne  
Wood County  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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**Note 1 – Reporting Entity**

The Village of Wayne, Wood County, Ohio (the Village) 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 and sewer utilities, park operations, and police services. The Village appropriates fire levy money to support a volunteer fire department.

**Public Entity Risk Pool**

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**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:

**Fire Department Fund** The fire department fund receives property tax money from the Village and Montgomery Township to pay for fire protection services.

**Police Department Fund** The police department fund receives property tax money to pay for police protection.

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

**Police Capital Projects Fund** The police capital projects fund accounts for and reports proceeds from the sale of capital assets that are restricted for the acquisition of new police equipment and other capital improvements.

**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:

Village of Wayne  
Wood County  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Water Operating Fund** The water operating fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

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

**Enterprise Debt Service/Water Fund** The enterprise debt service/water fund accounts for charges for services revenues restricted for debt service associated with the water treatment plant.

**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 fines and forfeitures.

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 3.



Village of Wayne  
Wood County  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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**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.

**Capital Assets**

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

**Accumulated Leave**

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

**Fund Balance**

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

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

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

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

**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 Wayne  
Wood County  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

**Note 3 – 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	\$170,973	\$215,391	\$44,418
Special Revenue	419,450	306,561	(112,889)
Enterprise	387,400	485,937	98,537
Total	\$977,823	\$1,007,889	\$30,066

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$227,896	\$143,824	\$84,072
Special Revenue	432,892	334,234	98,658
Capital Projects	4,400	4,400	
Enterprise	396,320	328,405	67,915
Total	\$1,061,508	\$810,863	\$250,645

**Note 4 – Deposits**

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:

	2020
<b>Cash Management Pool:</b>	
Demand deposits	\$1,473,604
Cash on hand	150
Total Deposits	\$1,473,754

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 no 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 Wayne  
Wood County  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**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.

***Income Taxes***

The Village levies a municipal income tax of 0.75 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**Note 6 – Interfund Balances**

During 2020, the General fund made transfers totaling \$11,031 to the Police Department fund (\$3,000) and to the Parks and Recreation fund (\$8,031), to reallocate court fines and to subsidize an Ohio Department of Natural Resources grant, respectively.

**Note 7 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Risk Pool Membership***

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

Village of Wayne  
Wood County  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2020</u>
Cash and investments	\$ 40,318,971
Actuarial liabilities	\$14,111,510

**Note 8 – Defined Benefit Pension Plan**

**Ohio Public Employees Retirement System**

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

**Note 9 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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.

**Note 10 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
USDA Rural Development Loan - Water	\$1,330,000	4.38%
USDA Rural Development Loan - Sewer	837,000	5.13%
Ohio Public Works Commission Loan	21,487	0.00%
Ohio Water Development Authority Loan	10,170	0.00%
Police Cruiser Lease	33,100	3.00%
Total	<u>\$2,231,757</u>	

The USDA Rural Development Loans were obtained for water and sewer system improvement projects. The USDA loans will be repaid over 40 years for the sewer and 30 years for the water. The Village has agreed to set utility rates sufficient to cover USDA Rural Development debt service requirements. The mortgage revenue bond covenants require the Village to establish and fund debt service reserve funds for each loan, included as a debt service fund. The balances in these funds at December 31, 2020, are \$78,000 for the sewer reserve and \$117,500 for the water reserve funds.

The Ohio Public Works Commission (OPWC) loan #CE53Q relates to the 2014 South Street Storm Sewer Replacement for \$26,985 and biannual payments are \$450 for 30 years.

Village of Wayne  
Wood County  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

The Ohio Water Development Authority (OWDA) loan is for the development of an asset management plan for the Village of Wayne. The loan will be for \$20,170, with \$10,000 of the loan forgiven, and biannual payments over 5 years.

**Lease**

The Village entered into a lease for a new Ford Interceptor police cruiser during 2020, in the amount of \$33,100. The Village made no disbursements to pay lease costs for the year ended December 31, 2020. The Village will make six annual lease payments, commencing in 2021.

**Amortization**

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

Year Ending December 31:	Police Cruiser Lease	USDA Sewer Loan	USDA Water Loan	OPWC Loan	OWDA Loan
2021	\$6,014	\$76,896	\$117,287	\$900	\$1,017
2022	6,014	79,154	117,402	899	2,034
2023	6,014	78,206	117,298	900	2,034
2024	6,014	77,208	117,181	899	2,034
2025	6,014	78,158	117,345	900	2,034
2026-2030	6,014	389,528	586,786	4,497	1,017
2031-2035		389,905	586,532	4,498	
2036-2040		77,792	117,317	4,497	
2041-2044				3,497	
Total	<u>\$36,084</u>	<u>\$1,246,847</u>	<u>\$1,877,148</u>	<u>\$21,487</u>	<u>\$10,170</u>

**Note 11 – Contingent Liabilities**

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

**Note 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	Total
Outstanding Encumbrances	<u>\$1,293</u>	<u>\$752</u>	<u>\$2,045</u>

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

Village of Wayne  
Wood County  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 13 – 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. The financial impact of COVID-19 and the continuing emergency measures may 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.

During 2020, the Village received CARES Act funding. Of the amounts received, \$12,181 was returned to the granting agency. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund (update as needed) on the accompanying financial statements.

**Note 14 – Miscellaneous Revenues**

During 2020, the Village received significant miscellaneous revenues, primarily consisting of dividends from the Bureau of Workers' Compensation, totaling \$21,092.

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
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(800) 282-0370

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

Village of Wayne  
Wood County  
125 Schoolhouse Street  
P.O. Box 39  
Wayne, Ohio 43466-0039

To the Village Council:

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 (*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 years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of Wayne, Wood County, Ohio, (the Village) and have issued our report thereon dated January 27, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted 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 purpose 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 Village'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 a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

***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*.

***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.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 27, 2023



VILLAGE OF WAYNE  
WOOD COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2021 AND 2020

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

FINDING NUMBER 2021-001

**Material Weakness – Financial Monitoring**

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.

The following errors were identified in the accompanying financial statements:

- In 2021 and 2020, the Village incorrectly recorded proceeds, and related expenses, for the lease of the new fire truck and new police cruiser, respectively. This resulted in an overstatement of miscellaneous revenue and security of persons and property expense in the Fire fund, in the amount of \$168,327 in 2021, and of other debt proceeds and security of persons and property expense in the Police fund, in the amount of \$33,100 in 2020.
- In 2020, the Village received a loan from the Ohio Water Development Authority (OWDA). A portion of this loan, in the amount of \$9,965, was forgiven by the OWDA. The Village recorded the full amount, totaling \$20,000, as loan proceeds in the Water Operating fund, instead of recording the forgiven portion as intergovernmental receipts.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to the Village Council making misinformed decisions. The accompanying financial statements, notes to the financial statements, and Village records have been adjusted to correct these errors. In addition to the adjustments noted above, we also identified additional immaterial misstatements ranging from \$29 to \$5,835, that we have brought to the Village's attention.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Council should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Clerk/Treasurer and Council, to identify and correct errors and omissions.

**Officials' Response:**

We did not receive a response from Officials to this finding

**Village of Wayne  
Wood County  
125 Schoolhouse Street  
P.O. Box 39  
Wayne, Ohio 43466-0039**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2021 AND 2020**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	Finding was first issued in the 2019-2018 audit. Material weakness for financial reporting due to material audit adjustments.	Not corrected and repeated as Finding 2021-001 in this report.	Recurrence occurred due to inadequate policies and procedures in reviewing the financial statements and accounting records throughout the audit period. Village Council will perform detailed reviews of financial information to ensure monies are properly posted.

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF WAYNE**

**WOOD 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 2/9/2023**

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](http://www.ohioauditor.gov)