



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF WAKEMAN
HURON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types For the Year Ended December 31, 2019	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type For the Year Ended December 31, 2019	6
Notes to the Financial Statements - For the Year Ended December 31, 2019	7
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types For the Year Ended December 31, 2018	16
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type For the Year Ended December 31, 2018	17
Notes to the Financial Statements - For the Year Ended December 31, 2018	18
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	27
Schedule of Findings.....	29

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Village of Wakeman
Huron County
59 Hyde Street, P.O. Box 107
Wakeman, Ohio 44889-0107

To the Village of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Wakeman, Huron County, Ohio (the Village) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Wakeman, Huron County, Ohio as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2020, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

June 2, 2020

This page intentionally left blank.

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$38,746	\$33,946		\$72,692
Municipal Income Tax	286,517			286,517
Intergovernmental	60,064	70,924		130,988
Special Assessments	1,414		\$2,902	4,316
Charges for Services		25	11,044	11,069
Fines, Licenses and Permits	36,442	115		36,557
Earnings on Investments	18,643	5,870		24,513
Miscellaneous	21,682	25,218		46,900
<i>Total Cash Receipts</i>	<u>463,508</u>	<u>136,098</u>	<u>13,946</u>	<u>613,552</u>
Cash Disbursements				
Current:				
Security of Persons and Property	115,051	54,225		169,276
Public Health Services	969			969
Leisure Time Activities	96,292	6,825		103,117
Community Environment	986			986
Basic Utility	9,380			9,380
Transportation		72,551	18,598	91,149
General Government	176,675			176,675
Capital Outlay	16,490	16,490		32,980
Debt Service:				
Principal Retirement		580		580
<i>Total Cash Disbursements</i>	<u>415,843</u>	<u>150,671</u>	<u>18,598</u>	<u>585,112</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>47,665</u>	<u>(14,573)</u>	<u>(4,652)</u>	<u>28,440</u>
Other Financing Receipts (Disbursements)				
Transfers In		42,000	20,000	62,000
Transfers Out	(62,000)			(62,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(62,000)</u>	<u>42,000</u>	<u>20,000</u>	
<i>Net Change in Fund Cash Balances</i>	(14,335)	27,427	15,348	28,440
<i>Fund Cash Balances, January 1</i>	<u>421,093</u>	<u>200,701</u>	<u>4,682</u>	<u>626,476</u>
Fund Cash Balances, December 31				
Restricted		192,038	20,030	212,068
Committed	50,000	36,090		86,090
Assigned	308,580			308,580
Unassigned	48,178			48,178
<i>Fund Cash Balances, December 31</i>	<u>\$406,758</u>	<u>\$228,128</u>	<u>\$20,030</u>	<u>\$654,916</u>

See accompanying notes to the financial statements

Village of Wakeman
Huron County
Combined Statement of Receipts, Disbursements,
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2019

	Enterprise
Operating Cash Receipts	
Charges for Services	\$506,741
Operating Cash Disbursements	
Personal Services	65,369
Employee Fringe Benefits	9,626
Contractual Services	160,059
Supplies and Materials	7,271
Other	7,948
<i>Total Operating Cash Disbursements</i>	<i>250,273</i>
<i>Operating Income</i>	<i>256,468</i>
Non-Operating Receipts (Disbursements)	
Special Assessments	917
Miscellaneous Receipts	4,496
Capital Outlay	(141,058)
Principal Retirement	(66,844)
Interest and Other Fiscal Charges	(13,764)
Other Financing Uses	(11)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(216,264)</i>
<i>Net Change in Fund Cash Balances</i>	<i>40,204</i>
<i>Fund Cash Balances, January 1</i>	<i>562,619</i>
<i>Fund Cash Balances, December 31</i>	<i>\$602,823</i>

See accompanying notes to the financial statements

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The Village of Wakeman, Huron 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 general government services, street construction, repair, and maintenance, public health services, water and sewer utilities, park operations, and police services.

Public Entity Risk Pool and Jointly Governed Organizations

The Village participates in a public entity risk pool and two jointly governed organizations. Notes 6 and 10 to the financial statements, respectively, provide additional information for these entities.

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 the proprietary fund type which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

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

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

Street Construction, Maintenance and Repair Fund 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.

Police Levy Fund The police levy fund receives property tax money to fund a portion of the Village's police department operations.

Capital Project Funds These funds account for and report financial resources that are restricted 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:

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Sidewalk Repair/Replacement Fund The sidewalk repair/replacement fund receives proceeds from special assessments, charges for services, and general fund transfers. The proceeds repair or replace existing sidewalks within the Village.

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 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 and outside users.

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Rev. Code Section 117.38 and Ohio Admin. Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Rev. Code Section 117.38 and Ohio Admin. Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2019 budgetary activity appears in Note 3.

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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's investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

Note 3 - Budgetary Activity

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$297,625	\$463,508	\$165,883
Special Revenue	132,473	178,098	45,625
Capital Projects	22,500	33,946	11,446
Enterprise	435,550	512,154	76,604
Total	\$888,148	\$1,187,706	\$299,558

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$608,517	\$484,875	\$123,642
Special Revenue	278,360	166,206	112,154
Capital Projects	26,500	18,598	7,902
Enterprise	807,410	476,274	331,136
Total	\$1,720,787	\$1,145,953	\$574,834

Note 4 – Deposits and Investments

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

Demand deposits	2019 \$187,398
STAR Ohio	1,070,341
Total deposits and investments	\$1,257,739

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Polled 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

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

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

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

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

Income Taxes

The Village levies a municipal income tax of 1 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

Risk Pool Membership

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Pursuant to Section 2744.081 of the Ohio Rev. Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018 (the latest information available).

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018 (the latest information available).

Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,330,789</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

The Village's full-time police officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 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, 2019.

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Social Security

Several of the Village’s officials contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2019.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F 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, 2019 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission		
North Hyde Street Culvert Replacement Loan #CT41M	\$11,598	0.00%
Maple St/Pleasant St. Waterline Replacement Loan #CI25P	124,562	0.00%
Clark, Hyde and SR20 Waterline Improvements Loan #CT31T	53,131	0.00%
Ohio Water Development Authority Loans		
Regional Water System Hook-Up Loan #2978	20,395	6.72%
WWTP Improvement Loan #3773	205,661	4.84%
Railroad Street Waterline Replacement Loan #5892	79,881	2.00%
SR303/US20 Connector Waterline Loan #7644	60,677	1.83%
Total	\$555,905	

The Ohio Public Works Commission (OPWC) loans relate to culvert and waterline replacement and improvement projects. The loans are interest free. The Village will repay the loans through semiannual installments through the year 2043.

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

The Ohio Water Development Authority (OWDA) loans relate to various waterline hook-up, waste water, and waterline replacement and improvement projects. The Village will repay the loans through semiannual installments through the year 2037. The loans outstanding are collateralized by water and sewer receipts.

Amortization

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

Year Ending December 31:	OPWC Loans	OWDA Loans
2020	\$8,916	\$51,674
2021	8,916	30,562
2022	8,916	30,656
2023	8,916	30,755
2024	8,916	30,858
2025-2029	44,583	156,034
2030-2034	44,583	111,731
2035-2039	36,992	11,915
2040-2043	18,553	
Total	\$189,291	\$454,185

Note 10 – Jointly Governed Organizations

Vermilion River Ambulance District

A four-member Board of Trustees governs Vermilion River Ambulance District (the District). Each political subdivision within the District appoints one member. Those subdivisions are the Village of Wakeman, Florence Township, Townsend Township, and Wakeman Township. The District provides ambulance service within the District by contracting with Citizens Ambulance Service. Financial information can be obtained from Brad Messenburg, Fiscal Officer, 2407 Wells Road, Collins, Ohio 44826.

Wakeman Township Fire District

Wakeman Township Fire District (the District) is directed by an appointed four-member Board of Trustees. Two board members are appointed by each political subdivision within the District. Those subdivisions are Wakeman Township and the Village of Wakeman. The District provides fire protection and rescue services within the District and by contract to areas outside the District. Financial information can be obtained from Trisha L. Summers, Clerk, 5171 State Route 303, P.O. Box 55, Wakeman, Ohio 44889-0055.

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 11 – Contingent Liabilities

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of this suit, management believes that the resolution of this matter will not materially adversely affect the Village's financial condition.

Note 12 – Subsequent Event

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

Note 13 – Miscellaneous Receipts

Special Revenue Fund Type miscellaneous receipts consisted primarily of donations and contributions.

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$37,882	\$37,036		\$74,918
Municipal Income Tax	291,455			291,455
Intergovernmental	55,893	59,441		115,334
Special Assessments	4,092		\$2,839	6,931
Charges for Services		100		100
Fines, Licenses and Permits	32,050	643		32,693
Earnings on Investments	13,974	6,214		20,188
Miscellaneous	11,929	4,263		16,192
<i>Total Cash Receipts</i>	<u>447,275</u>	<u>107,697</u>	<u>2,839</u>	<u>557,811</u>
Cash Disbursements				
Current:				
Security of Persons and Property	109,692	95,958		205,650
Public Health Services	926			926
Leisure Time Activities	46,647	5,799		52,446
Community Environment	1,385			1,385
Basic Utility Services	11,978			11,978
Transportation		96,080	19,871	115,951
General Government	159,139			159,139
Debt Service:				
Principal Retirement		580		580
<i>Total Cash Disbursements</i>	<u>329,767</u>	<u>198,417</u>	<u>19,871</u>	<u>548,055</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>117,508</u>	<u>(90,720)</u>	<u>(17,032)</u>	<u>9,756</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	2,908			2,908
Transfers In		25,000	5,000	30,000
Transfers Out	(30,000)			(30,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(27,092)</u>	<u>25,000</u>	<u>5,000</u>	<u>2,908</u>
<i>Net Change in Fund Cash Balances</i>	90,416	(65,720)	(12,032)	12,664
<i>Fund Cash Balances, January 1</i>	<u>330,677</u>	<u>266,421</u>	<u>16,714</u>	<u>613,812</u>
Fund Cash Balances, December 31				
Restricted		182,899	4,682	187,581
Committed		17,802		17,802
Assigned	310,892			310,892
Unassigned	110,201			110,201
<i>Fund Cash Balances, December 31</i>	<u>\$421,093</u>	<u>\$200,701</u>	<u>\$4,682</u>	<u>\$626,476</u>

See accompanying notes to the financial statements

Village of Wakeman
Huron County
Combined Statement of Receipts, Disbursements,
and Changes in Fund Balances (Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2018

	Enterprise
Operating Cash Receipts	
Charges for Services	\$528,480
 Operating Cash Disbursements	
Personal Services	60,566
Employee Fringe Benefits	8,681
Contractual Services	165,730
Supplies and Materials	5,195
Other	7,722
 <i>Total Operating Cash Disbursements</i>	 247,894
 <i>Operating Income</i>	 280,586
 Non-Operating Receipts (Disbursements)	
Special Assessments	3,981
Miscellaneous Receipts	4,072
Capital Outlay	(85,633)
Principal Retirement	(172,335)
Interest and Other Fiscal Charges	(20,202)
Other Financing Uses	(2,200)
 <i>Total Non-Operating Receipts (Disbursements)</i>	 (272,317)
 <i>Net Change in Fund Cash Balances</i>	 8,269
 <i>Fund Cash Balances, January 1</i>	 554,350
 <i>Fund Cash Balances, December 31</i>	 \$562,619

See accompanying notes to the financial statements

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The Village of Wakeman, Huron 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 general government services, street construction, repair, and maintenance, public health services, water and sewer utilities, park operations, and police services.

Public Entity Risk Pool and Jointly Governed Organizations

The Village participates in a public entity risk pool and two jointly governed organizations. Notes 6 and 10 to the financial statements, respectively, provide additional information for these entities.

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 the proprietary fund type which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

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

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

Street Construction, Maintenance and Repair Fund 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.

Police Levy Fund The police levy fund receives property tax money to fund a portion of the Village's police department operations.

Capital Project Funds These funds account for and report financial resources that are restricted 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:

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Sidewalk Repair/Replacement Fund The sidewalk repair/replacement fund receives proceeds from special assessments, charges for services, and general fund transfers. The proceeds repair or replace existing sidewalks within the Village.

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 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 and outside users.

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Rev. Code Section 117.38 and Ohio Admin. Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Rev. Code Section 117.38 and Ohio Admin. Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2018 budgetary activity appears in Note 3.

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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's investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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

Note 3 - Budgetary Activity

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

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$276,699	\$450,183	\$173,484
Special Revenue	107,681	132,697	25,016
Capital Projects	5,000	7,839	2,839
Enterprise	435,550	536,533	100,983
Total	\$824,930	\$1,127,252	\$302,322

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$505,284	\$364,074	\$141,210
Special Revenue	306,285	216,936	89,349
Capital Projects	20,000	19,871	129
Enterprise	759,474	532,774	226,700
Total	\$1,591,043	\$1,133,655	\$457,388

Note 4 – Deposits and Investments

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

	2018
Demand deposits	\$143,267
STAR Ohio	1,045,828
Total deposits and investments	\$1,189,095

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Polled 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

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

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

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

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

Income Taxes

The Village levies a municipal income tax of 1 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

Risk Pool Membership

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Pursuant to Section 2744.081 of the Ohio Rev. Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,330,789</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

The Village's full-time police officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 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, 2018.

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Social Security

Several of the Village’s officials contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2018.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

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

Note 9 – Debt

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission		
North Hyde Street Culvert Replacement Loan #CT41M	\$12,178	0.00%
Maple St./Pleasant St. Waterline Replacement Loan #CI25P	129,863	0.00%
Clark, Hyde and SR20 Waterline Improvements Loan #CT31T	56,167	0.00%
Ohio Water Development Authority Loans		
Regional Water System Hook-Up Loan #2978	59,885	6.72%
WWTP Improvement Loan #3773	215,735	4.84%
Railroad Street Waterline Replacement Loan #5892	86,002	2.00%
SR303/US20 Connector Waterline Loan #7644	63,500	1.83%
Total	<u>\$623,330</u>	

The Ohio Public Works Commission (OPWC) loans relate to culvert and waterline replacement and improvement projects. The loans are interest free. The Village will repay the loans through semiannual installments through the year 2043.

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

The Ohio Water Development Authority (OWDA) loans relate to various waterline hook-up, waste water, and waterline replacement and improvement projects. The Village will repay the loans through semiannual installments through the year 2037. The loans outstanding are collateralized by water and sewer receipts.

Amortization

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

Year Ending December 31:	OPWC Loans	OWDA Loans
2019	\$8,916	\$72,271
2020	8,916	51,674
2021	8,916	30,562
2022	8,916	30,656
2023	8,916	30,755
2024-2028	44,583	155,434
2029-2033	44,583	139,217
2034-2038	40,029	15,887
2039-2043	24,433	
Total	\$198,208	\$526,456

Note 10 – Jointly Governed Organizations

Vermilion River Ambulance District

A four-member Board of Trustees governs Vermilion River Ambulance District (the District). Each political subdivision within the District appoints one member. Those subdivisions are the Village of Wakeman, Florence Township, Townsend Township, and Wakeman Township. The District provides ambulance service within the District by contracting with Citizens Ambulance Service. Financial information can be obtained from Brad Messenburg, Fiscal Officer, 2407 Wells Road, Collins, Ohio 44826.

Wakeman Township Fire District

Wakeman Township Fire District (the District) is directed by an appointed four-member Board of Trustees. Two board members are appointed by each political subdivision within the District. Those subdivisions are Wakeman Township and the Village of Wakeman. The District provides fire protection and rescue services within the District and by contract to areas outside the District. Financial information can be obtained from Trisha L. Summers, Clerk, 5171 State Route 303, P.O. Box 55, Wakeman, Ohio 44889-0055.

Village of Wakeman
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 11 – Contingent Liabilities

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of this suit, management believes that the resolution of this matter will not materially adversely affect the Village's financial condition.

Note 12 – Subsequent Event

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

OHIO AUDITOR OF STATE KEITH FABER



One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

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

Village of Wakeman
Huron County
59 Hyde Street, P.O. Box 107
Wakeman, Ohio 44889-0107

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Wakeman, Huron County, Ohio (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated June 2, 2020 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will 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) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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 report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

June 2, 2020

**VILLAGE OF WAKEMAN
HURON COUNTY**

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

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

FINDING NUMBER 2019-001

Material Weakness – Financial Reporting

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.

Capital Projects Fund Type committed fund balance in the amount of \$20,030 was reclassified to restricted in accordance with the provision of Government Accounting Standard Board Statement No. 54 (GASB Cod 1800.165 - .179) for the year ended December 31, 2019.

Also identified were the following errors requiring adjustment to the financial statements for the year ended December 31, 2018:

- Special Revenue Fund Type assigned fund balance in the amount of \$14,756 was reclassified to restricted in accordance with the provisions of Government Accounting Standard Board Statement No. 54 (GASB Cod 1800.165 - .179); and
- Capital Projects Fund Type committed fund balance in the amount of \$4,682 was reclassified to restricted in accordance with the provisions of Government Accounting Standard Board Statement No. 54 (GASB Cod 1800.165 - .179).

These errors were not identified and corrected prior to the Village submitting its financial statements due to deficiencies in the Village's internal controls over financial statement monitoring. The accompanying financial statements have been adjusted to reflect these changes. Additional insignificant errors were also noted for the years ended December 31, 2019 and 2018.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate and to help identify and correct errors and omissions, the Village should adopt policies and procedures, including a final review of the statements and notes to the financial statements by the Fiscal Officer and Council. The Fiscal Officer can refer to Auditor of State Bulletin 2011-004 at the following website for information on Governmental Accounting Standards Board Statement No. 54: <http://www.ohioauditor.gov/publications/bulletins/2011/2011-004.pdf>.

Officials' Response:

We did not receive a response from Officials to the finding reported above.

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WAKEMAN

HURON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 16, 2020**