



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF WAVERLY
PIKE COUNTY
DECEMBER 31, 2021

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VILLAGE OF WAVERLY
PIKE COUNTY
DECEMBER 31, 2021

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Waverly
Pike County
201 West North Street
Waverly, Ohio 45690

To the Governing Body:

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Waverly, Pike County, Ohio (the Village), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2021, and the respective changes in cash-basis financial position and where applicable cash flows thereof and the respective budgetary comparison for the General, Bridge and Street, Police, Fire, and NEU Grant funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

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.

Emphasis of Matter - Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Emphasis of Matters

As discussed in Note 14 to the financial statements, during 2021, the Village has elected to change its financial presentation to a cash basis of accounting comparable to the requirements of *Governmental Accounting Standards*. Our opinion is not modified with respect to this matter.

Also, as discussed in Note 15 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. 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 *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 Information

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 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
May 24, 2023

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Village of Waverly
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

The discussion and analysis of the Village of Waverly's (the Village) financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the Village's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Village's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- In total, net position increased \$1,147,823. Net position of governmental activities increased \$272,062. Net position of business-type activities increased \$875,761.
- Governmental activities general receipts accounted for \$2,752,404 in receipts or 80 percent of all receipts. Program specific receipts in the form of charges for services and sales, grants and contributions accounted for \$683,454 or 20 percent of total receipts of \$3,435,858. Business-type activities general receipts accounted for \$274 in receipts or .01 percent of all receipts. Program specific receipts accounted for \$2,621,268 or 99.9 percent of total receipts of \$2,621,542.
- The Village had \$3,163,796 in disbursements related to governmental activities; \$683,454 of these disbursements were offset by program specific charges for services and sales, grants and contributions. The Village had \$1,745,781 in disbursements related to business-type activities; all of these disbursements were offset by program specific charges for services and sales.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Village's cash basis of accounting.

Report Components

The *Statement of Net Position-Cash Basis* and *Statement of Activities-Cash Basis* provide information about the activities of the whole Village, presenting an aggregate view of the Village's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed and what remains for future spending on a cash basis. The fund financial statements also look at the Village's most significant funds with all other non-major funds presented in total in one column. In the case of the Village of Waverly, the General Fund, the Bridge and Street Fund, the NEU Grant Fund, the Fire Fund, the Police Fund, the Water Fund, and the Sewer Fund are the most significant funds and have been presented as major funds.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specific purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the basic financial statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

Village of Waverly
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Village as a Whole

Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis

The statement of net position-cash basis and the statement of activities-cash basis reflect how the Village did financially during 2021, within the limitations of the cash basis of accounting. The statement of net position – cash basis presents the cash balances of the governmental activities and the business-type activities of the Village at year end. The statement of activities-cash basis compares cash disbursements with program cash receipts for each governmental program. Program cash receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General cash receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of cash basis accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well, such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes and income taxes.

In the statement of net position-cash basis and the statement of activities-cash basis, the Village has two types of activity; governmental and business.

Reporting the Village's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Village's most significant funds. The Village's major governmental funds are the General Fund, Bridge and Street Fund, NEU Grant Fund, Fire Fund, and Police Fund.

Governmental Funds: Most of the Village's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed short-term view of the Village's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be spent in the near future to finance various Village programs. Since the Village is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. However, differences will be apparent when comparing gross cash receipts and cash disbursements on the fund financial statements to the statement of activities due to transfers netted on the statement of activities. See Note 2 to the basic financial statements.

Village of Waverly
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

Proprietary Funds: The Village maintains one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The village uses enterprise funds to account for its Water and Sewer funds which are reported as major funds in the accompanying financial statements.

Fiduciary Funds: Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. The Village's only fiduciary funds are custodial funds.

Custodial funds are custodial in nature and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Village's own programs.

The Village as a Whole

Table 1 provides a summary of the Village's net position for 2021. The Village changed their basis of accounting in fiscal year 2021 so it was impractical to present comparative financial information for the prior year. In future years, comparative information will be presented.

Table 1
Net Position

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
	2021	2021	2021
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 2,088,485	\$ 1,119,269	\$ 3,207,754
Total Assets	<u>2,088,485</u>	<u>1,119,269</u>	<u>3,207,754</u>
Net Position			
Restricted	1,263,607	-	1,263,607
Unrestricted	<u>824,878</u>	<u>1,119,269</u>	<u>1,944,147</u>
Total Net Position	<u>\$ 2,088,485</u>	<u>\$ 1,119,269</u>	<u>\$ 3,207,754</u>

Village of Waverly
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

Table 2 shows the changes in net position for the year ended December 31, 2021. The Village changed their basis of accounting in fiscal year 2021 so it was impractical to present comparative financial information for the prior year. In future years, comparative information will be presented.

Table 2
Changes in Net Position

	Governmental 2021 *	Business Type 2021*	Total 2021
Cash Receipts			
Program Receipts:			
Charges for Services and Sales	\$ 162,077	\$ 2,621,268	\$ 2,783,345
Operating Grants and Contributions	521,377	-	521,377
Total Program Receipts	683,454	2,621,268	3,304,722
General Receipts:			
Property & Income Taxes	2,483,506	-	2,483,506
Unrestricted Grants and Entitlements	133,901	-	133,901
Investment Earnings	7,316	138	7,454
Other	127,681	136	127,817
Total General Receipts	2,752,404	274	2,752,678
Total Cash Receipts	3,435,858	2,621,542	6,057,400
Cash Disbursements			
General Government -			
Legislative and Executive	886,959	-	886,959
Security of Persons & Property	1,479,811	-	1,479,811
Public Health	8,411	-	8,411
Leisure Time Services	78,703	-	78,703
Transportation	574,463	-	574,463
Capital Outlay	81,720	-	81,720
Principal Retirement	47,865	-	47,865
Interest and Fiscal Charges	5,864	-	5,864
Water	-	863,007	863,007
Sewer	-	882,774	882,774
Total Cash Disbursements	3,163,796	1,745,781	4,909,577
Increase (Decrease) in Net Position	272,062	875,761	1,147,823
Beginning Net Position	1,816,423	243,508	2,059,931
Ending Net Position	\$ 2,088,485	\$ 1,119,269	\$ 3,207,754

* - As restated

Governmental Activities

Several receipts sources fund governmental activities, with income taxes generally being the biggest contributor. General receipts from property taxes are also a large receipts generator. With the combination of property tax, income tax and intergovernmental receipts comprising approximately 95% of all general receipts in the governmental activities, the Village monitors each of these receipt sources very closely for fluctuations.

General government, security of persons and property, transportation, and leisure time activities are the major activities of the Village, generating over 95% of the total disbursements.

Village of Waverly
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

Business-Type Activities

The Village's business-type activities are its water and sewer departments. The water and wastewater treatment plants provide services to the Village's residents. The sewer operations generated program receipts of \$1,666,707 and had disbursements of \$882,774. The water operations generated program receipts of \$954,561 and had disbursements of \$863,007. The Village's goal is to cover the costs of operations as well as build cash balance in these funds. The Village is also generating funds for additional capital expansion to ensure continued capacity and capital improvements for future growth and development.

The Village's Funds

The Village's governmental funds are accounted for using the cash basis of accounting. All governmental funds had total receipts and other financial sources of \$4,451,835 and disbursements and other financing uses of \$4,179,773. The net change in fund balance for the year in the General Fund increased \$233,150 due primarily to receipts and transfers in exceeding expenditures and transfers out in 2021. The Police Fund had a fund balance decrease of \$31,093. The NEU Grant Fund had a fund balance increase of \$213,453. The Bridge and Street Fund had a fund balance decrease of \$1,935. The Fire Fund had a fund balance decrease of \$37,719.

General Fund Budgeting Highlights

The Village's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

For the General Fund, final budgeted receipts were \$2,000,000. Actual receipts were higher than final budgeted receipts in the amount of \$219,773. Original and final budgeted expenditures and other financing uses were \$2,383,600 and \$2,467,682, respectively. Actual budgetary basis expenditures and other financing uses were \$1,994,732, which is lower than the final budgeted expenditures and other financing uses due primarily to less expenditures for legislative and executive and capital outlay.

Village of Waverly
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

Debt

At December 31, 2021, the Village of Waverly had \$1,513,796 in notes and loans outstanding with \$330,549 due within one year.

Table 3
 Outstanding Debt, at Year End

	Governmental Activities		Business-Type Activities		Total	Total
	2021	2020	2021	2020	2021	2020
Long Term Notes and Loans	163,999	205,887	-	-	163,999	205,887
O.W.D.A. Loans	-	-	1,111,423	1,383,251	1,111,423	1,383,251
O.P.W.C. Loans	60,635	66,612	177,739	191,550	238,374	258,162
Total	\$ 224,634	\$ 272,499	\$ 1,289,162	\$ 1,574,801	\$ 1,513,796	\$ 1,847,300

The Village's overall legal debt margin was \$8,922,769 at December 31, 2021.

See Note 10 for additional information about the Village's debt.

The Future

The Village continues to work diligently to increase receipts and decrease costs to keep the Village in a solid financial position.

The Village has committed itself to financial excellence in the coming years. Our commitment to the residents of the Village should always be full disclosure of the financial position of the Village.

Contacting the Village's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Debra Whaley, Village Auditor, 201 W. North Street, Waverly, Ohio 45690, (740) 947-9555.

Village of Waverly, Ohio
Pike County
Statement of Net Position - Cash Basis
December 31, 2021

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,088,485	\$1,119,269	\$3,207,754
<i>Total Assets</i>	<u>\$2,088,485</u>	<u>\$1,119,269</u>	<u>\$3,207,754</u>
Net Position			
Restricted for:			
Capital Projects	\$ 6,435	\$ -	\$ 6,435
Police	293,113	-	293,113
Bridge and Street	204,493	-	204,493
Fire	245,856	-	245,856
NEU Grant	213,453	-	213,453
Permissive Tax	56,956	-	56,956
Waverly South Central	88,674	-	88,674
Other Purposes	154,627	-	154,627
Unrestricted	824,878	1,119,269	1,944,147
<i>Total Net Position</i>	<u>\$2,088,485</u>	<u>\$1,119,269</u>	<u>\$3,207,754</u>

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

Village of Waverly, Ohio
Pike County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2021

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Current:						
Security of Persons and Property	1,479,811	18,004	1,536	(1,460,271)	-	(1,460,271)
Public Health Services	8,411	-	221,863	213,452	-	213,452
Leisure Time Activities	78,703	12,932	-	(65,771)	-	(65,771)
Transportation	574,463	-	297,978	(276,485)	-	(276,485)
General Government:						
Legislative and Executive	886,959	131,141	-	(755,818)	-	(755,818)
Capital Outlay	81,720	-	-	(81,720)	-	(81,720)
Debt Service:						
Principal Retirement	47,865	-	-	(47,865)	-	(47,865)
Interest and Fiscal Charges	5,864	-	-	(5,864)	-	(5,864)
<i>Total Governmental Activities</i>	<u>3,163,796</u>	<u>162,077</u>	<u>521,377</u>	<u>(2,480,342)</u>	<u>-</u>	<u>(2,480,342)</u>
Business-Type Activities						
Sewer	882,774	1,666,707	-	-	783,933	783,933
Water	863,007	954,561	-	-	91,554	91,554
<i>Total Business-Type Activities</i>	<u>1,745,781</u>	<u>2,621,268</u>	<u>-</u>	<u>-</u>	<u>875,487</u>	<u>875,487</u>
<i>Total Primary Government</i>	<u>4,909,577</u>	<u>2,783,345</u>	<u>521,377</u>	<u>(2,480,342)</u>	<u>875,487</u>	<u>(1,604,855)</u>
General Receipts:						
Property Taxes Levied for:						
General Purposes				165,551	-	165,551
Other Purposes				578,161	-	578,161
Income Taxes				1,739,794	-	1,739,794
Grants and Entitlements not Restricted to Specific Prog				133,901	-	133,901
Earnings on Investments				7,316	138	7,454
Miscellaneous				127,681	136	127,817
<i>Total General Receipts</i>				<u>2,752,404</u>	<u>274</u>	<u>2,752,678</u>
Change in Net Position				272,062	875,761	1,147,823
<i>Net Position Beginning of Year (Restated)</i>				<u>1,816,423</u>	<u>243,508</u>	<u>2,059,931</u>
<i>Net Position End of Year</i>				<u>\$2,088,485</u>	<u>\$1,119,269</u>	<u>\$3,207,754</u>

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

Village of Waverly, Ohio
Pike County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2021

	General	Bridge and Street	NEU Grant	Fire	Police	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$824,878	\$204,493	\$213,453	\$245,856	\$293,113	\$306,692	\$2,088,485
<i>Total Assets</i>	<u>\$824,878</u>	<u>\$204,493</u>	<u>\$213,453</u>	<u>\$245,856</u>	<u>\$293,113</u>	<u>\$306,692</u>	<u>\$2,088,485</u>
Fund Balances							
Nonspendable	\$11,171						\$11,171
Restricted	-	204,493	213,453	245,856	293,113	217,226	1,174,141
Committed	232,849	-	-	-	-	89,466	322,315
Assigned	131,376	-	-	-	-	-	131,376
Unassigned	449,482	-	-	-	-	-	449,482
<i>Total Fund Balances</i>	<u>\$824,878</u>	<u>\$204,493</u>	<u>\$213,453</u>	<u>\$245,856</u>	<u>\$293,113</u>	<u>\$306,692</u>	<u>\$2,088,485</u>

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

Village of Waverly, Ohio
Pike County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2021

	General	Bridge and Street	NEU Grant	Fire	Police	Other Governmental Funds	Total Governmental Funds
Receipts							
Municipal Income Taxes	\$ 1,739,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,739,794
Property Taxes	165,551	75,888	-	118,898	383,375	-	743,712
Charges for Services	-	-	-	280	-	-	280
Licenses and Permits	4,178	-	-	-	-	-	4,178
Fines and Forfeitures	155,817	-	-	-	-	1,802	157,619
Intergovernmental	133,524	236,741	221,863	1,536	311	61,303	655,278
Interest	6,468	139	-	-	-	709	7,316
Other	17,544	297	-	49,723	21,255	38,862	127,681
	<u>2,222,876</u>	<u>313,065</u>	<u>221,863</u>	<u>170,437</u>	<u>404,941</u>	<u>102,676</u>	<u>3,435,858</u>
<i>Total Receipts</i>							
Disbursements							
Current:							
General Government:							
Legislative and Executive	798,141	-	-	-	-	88,818	886,959
Security of Persons and Property	96,904	-	-	348,854	1,022,120	11,933	1,479,811
Public Health Services	1	-	8,410	-	-	-	8,411
Leisure Time Activities	78,703	-	-	-	-	-	78,703
Transportation	-	534,244	-	-	-	40,219	574,463
Capital Outlay	-	2,306	-	-	13,914	65,500	81,720
Debt Service:							
Principal Retirement	-	12,661	-	29,227	-	5,977	47,865
Interest and Fiscal Charges	-	789	-	5,075	-	-	5,864
	<u>973,749</u>	<u>550,000</u>	<u>8,410</u>	<u>383,156</u>	<u>1,036,034</u>	<u>212,447</u>	<u>3,163,796</u>
<i>Total Disbursements</i>							
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,249,127</u>	<u>(236,935)</u>	<u>213,453</u>	<u>(212,719)</u>	<u>(631,093)</u>	<u>(109,771)</u>	<u>272,062</u>
Other Financing Sources (Uses)							
Transfers In	-	235,000	-	175,000	600,000	5,977	1,015,977
Transfers Out	(1,015,977)	-	-	-	-	-	(1,015,977)
	<u>(1,015,977)</u>	<u>235,000</u>	<u>-</u>	<u>175,000</u>	<u>600,000</u>	<u>5,977</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>							
<i>Net Change in Fund Balances</i>	233,150	(1,935)	213,453	(37,719)	(31,093)	(103,794)	272,062
<i>Fund Balances Beginning of Year - As Restated</i>	591,728	206,428	-	283,575	324,206	410,486	1,816,423
<i>Fund Balances End of Year</i>	<u>\$824,878</u>	<u>\$204,493</u>	<u>\$213,453</u>	<u>\$245,856</u>	<u>\$293,113</u>	<u>\$306,692</u>	<u>\$2,088,485</u>

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

Village of Waverly, Ohio
Pike County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property Taxes	\$123,552	\$149,160	\$165,551	\$16,391
Income Taxess	1,750,000	1,567,543	1,739,794	172,251
Intergovernmental	152,320	120,304	133,524	13,220
Interest	4,500	5,828	6,468	640
Fees, Licenses and Permits	4,480	3,764	4,178	414
Fines and Forfeitures	175,000	140,390	155,817	15,427
Other	10,085	13,011	14,441	1,430
<i>Total Receipts</i>	<u>2,219,937</u>	<u>2,000,000</u>	<u>2,219,773</u>	<u>219,773</u>
Disbursements				
Current:				
General Government:				
Legislative and Executive	906,100	958,382	803,147	155,235
Security of Persons and Property	86,500	105,000	96,904	8,096
Public Health Services	-	18,000	1	17,999
Leisure Time Activities	116,000	116,000	78,703	37,297
Capital Outlay	150,000	150,000	-	150,000
<i>Total Disbursements</i>	<u>1,258,600</u>	<u>1,347,382</u>	<u>978,755</u>	<u>368,627</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>961,337</u>	<u>652,618</u>	<u>1,241,018</u>	<u>588,400</u>
Other Financing Sources (Uses)				
Transfers Out	(1,125,000)	(1,120,300)	(1,015,977)	104,323
<i>Total Other Financing Sources (Uses)</i>	<u>(1,125,000)</u>	<u>(1,120,300)</u>	<u>(1,015,977)</u>	<u>104,323</u>
<i>Net Change in Fund Balance</i>	(163,663)	(467,682)	225,041	692,723
<i>Unencumbered Fund Balance Beginning of Year</i>	504,219	504,219	504,219	-
Prior Year Encumbrances Appropriated	4,937	4,937	4,937	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$345,493</u>	<u>\$41,474</u>	<u>\$734,197</u>	<u>\$692,723</u>

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

Village of Waverly, Ohio
Pike County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Bridge and Street Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Taxes	\$77,093	\$77,093	\$75,888	(\$1,205)
Intergovernmental	193,187	193,187	236,741	43,554
Interest	125	125	139	14
Other	15,500	15,500	297	(15,203)
<i>Total Receipts</i>	<u>285,905</u>	<u>285,905</u>	<u>313,065</u>	<u>27,160</u>
Disbursements				
Current:				
Transportation	571,500	591,026	539,044	51,982
Capital Outlay	10,000	2,658	2,306	352
Debt Service:				
Principal Retirement	38,449	38,449	12,661	25,788
Interest and Fiscal Charges	789	789	789	-
<i>Total Disbursements</i>	<u>620,738</u>	<u>632,922</u>	<u>554,800</u>	<u>78,122</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(334,833)</u>	<u>(347,017)</u>	<u>(241,735)</u>	<u>105,282</u>
Other Financing Sources (Uses)				
Transfers In	235,000	235,000	235,000	-
Proceeds of Loans	25,788	25,788	-	(25,788)
<i>Total Other Financing Sources (Uses)</i>	<u>260,788</u>	<u>260,788</u>	<u>235,000</u>	<u>(25,788)</u>
<i>Net Change in Fund Balance</i>	<u>(74,045)</u>	<u>(86,229)</u>	<u>(6,735)</u>	<u>79,494</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	206,243	206,243	206,243	-
Prior Year Encumbrances Appropriated	185	185	185	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$132,383</u>	<u>\$120,199</u>	<u>\$199,693</u>	<u>\$79,494</u>

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

Village of Waverly, Ohio
Pike County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Taxes	\$118,263	\$118,263	\$118,898	\$635
Charges for Services	26,000	26,000	280	(25,720)
Intergovernmental	19,625	19,625	1,536	(18,089)
Other	21,375	21,375	49,723	28,348
<i>Total Receipts</i>	185,263	185,263	170,437	(14,826)
Disbursements				
Current:				
Security of Persons and Property	337,500	397,342	351,004	46,338
Debt Service:				
Principal Retirement	196,040	185,541	29,227	156,314
Interest and Fiscal Charges	5,075	5,075	5,075	-
<i>Total Disbursements</i>	538,615	587,958	385,306	202,652
<i>Excess of Receipts Over (Under) Disbursements</i>	(353,352)	(402,695)	(214,869)	187,826
Other Financing Sources (Uses)				
Other Debt Proceeds	194,470	194,470	175,000	(19,470)
Transfers In	175,000	175,000	-	(175,000)
<i>Total Other Financing Sources (Uses)</i>	369,470	369,470	175,000	(194,470)
<i>Net Change in Fund Balance</i>	16,118	(33,225)	(39,869)	(6,644)
<i>Unencumbered Fund Balance Beginning of Year</i>	278,520	278,520	278,520	-
Prior Year Encumbrances Appropriated	5,055	5,055	5,055	-
<i>Unencumbered Fund Balance End of Year</i>	\$299,693	\$250,350	\$243,706	(\$6,644)

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

Village of Waverly, Ohio
Pike County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Police Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Taxes	\$363,415	\$284,023	\$383,375	\$99,352
Intergovernmental	37,850	230	311	81
Other	77,150	15,747	21,255	5,508
<i>Total Receipts</i>	478,415	300,000	404,941	104,941
Disbursements				
Current:				
Security of Persons and Property	1,216,700	1,181,200	1,074,369	106,831
Capital Outlay	4,000	62,438	13,914	48,524
<i>Total Disbursements</i>	1,220,700	1,243,638	1,088,283	155,355
<i>Excess of Receipts Over (Under) Disbursements</i>	(742,285)	(943,638)	(683,342)	260,296
Transfers In	700,000	700,000	600,000	(100,000)
<i>Total Other Financing Sources (Uses)</i>	700,000	700,000	600,000	(100,000)
<i>Net Change in Fund Balance</i>	(42,285)	(243,638)	(83,342)	160,296
<i>Unencumbered Fund Balance Beginning of Year</i>	315,203	315,203	315,203	-
Prior Year Encumbrances Appropriated	10,600	10,600	10,600	-
<i>Unencumbered Fund Balance End of Year</i>	\$283,518	\$82,165	\$242,461	\$160,296

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

Village of Waverly, Ohio
Pike County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
NEU Grant Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ -	\$ 221,863	\$ 221,863	\$ -
<i>Total Receipts</i>	<u>-</u>	<u>221,863</u>	<u>221,863</u>	<u>-</u>
Disbursements				
Current:				
Public Health Services	-	221,863	8,410	213,453
<i>Total Disbursements</i>	<u>-</u>	<u>221,863</u>	<u>8,410</u>	<u>213,453</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>-</u>	<u>-</u>	<u>213,453</u>	<u>213,453</u>
<i>Net Change in Fund Balance</i>	-	-	213,453	213,453
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$213,453</u>	<u>\$213,453</u>

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

Village of Waverly, Ohio
Pike County
Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2021

	Business-Type Activities		
	Water	Sewer	Total Enterprise Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$222,892	\$896,377	\$1,119,269
<i>Total Assets</i>	\$222,892	\$896,377	\$1,119,269
Net Position			
Unrestricted	\$222,892	\$896,377	1,119,269
<i>Total Net Position</i>	\$222,892	\$896,377	\$1,119,269

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

Village of Waverly, Ohio
Pike County
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2021

	Business-Type Activities		Total Enterprise Funds
	Water	Sewer	
Operating Receipts			
Charges for Services	\$913,815	\$1,666,707	\$2,580,522
Tap-In Fees	950	-	950
Utility Deposits Received	12,900	-	12,900
Miscellaneous	26,896	-	26,896
<i>Total Operating Receipts</i>	<u>954,561</u>	<u>1,666,707</u>	<u>2,621,268</u>
Operating Disbursements			
Personal Services	253,072	218,945	472,017
Employee Fringe Benefits	215,743	151,439	367,182
Contractual Services	243,307	229,293	472,600
Supplies and Materials	69,461	12,844	82,305
Other	45,890	4,273	50,163
<i>Total Operating Disbursements</i>	<u>827,473</u>	<u>616,794</u>	<u>1,444,267</u>
<i>Receipts Over (Under) Operating Disbursements</i>	<u>127,088</u>	<u>1,049,913</u>	<u>1,177,001</u>
Non-Operating Receipts (Disbursements)			
Earnings on Investments	138	-	138
Miscellaneous Receipts	-	136	136
Capital Outlay	(363)	-	(363)
Principal Retirement	(35,171)	(250,468)	(285,639)
Interest and Other Fiscal Charges	-	(15,512)	(15,512)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(35,396)</u>	<u>(265,844)</u>	<u>(301,240)</u>
<i>Change in Net Position</i>	91,692	784,069	875,761
<i>Net Position Beginning of Year (Restated)</i>	<u>131,200</u>	<u>112,308</u>	<u>243,508</u>
<i>Net Position End of Year</i>	<u><u>\$222,892</u></u>	<u><u>\$896,377</u></u>	<u><u>\$1,119,269</u></u>

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

Village of Waverly, Ohio
Pike County
Statement of Fiduciary Net Position - Cash Basis
Custodial Fund
December 31, 2021

Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$9,912</u>
<i>Total Assets</i>	<u><u>\$9,912</u></u>
Net Position	
Restricted for Individuals, Organizations and Other Governments	<u>9,912</u>
<i>Total Net Position</i>	<u><u>\$9,912</u></u>

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

Village of Waverly, Ohio
Pike County
Statement of Changes in Fiduciary Net Position - Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2021

Additions

Fines and Forfeitures for Other Governments	<u>49,835</u>
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<i>Total Additions</i>	<u>49,835</u>
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Deductions

Fines and Forfeitures Distributions to Other Governments	<u>44,184</u>
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<i>Total Deductions</i>	<u>44,184</u>
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<i>Change in Net Position</i>	5,651
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<i>Net Position Beginning of Year</i>	<u>4,261</u>
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<i>Net Position End of Year</i>	<u><u>\$9,912</u></u>
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The notes to the basic financial statements are an integral part of this statement.

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Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Waverly (“the Village”) is a charter municipal corporation operating under the laws of the State of Ohio. The current charter, which provides for a Mayor-Council form of government, was adopted on May 5, 1970. Legislative power is vested in a seven-member Council and a Council president, each elected to four-year terms. The Mayor is elected to a four-year term and is the chief executive officer for the Village. The Village Auditor is elected to a four-year term and is the chief fiscal officer for the Village. All department heads are appointed by the Mayor and Council.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Village are not misleading.

Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Village. The primary government of the Village of Waverly provides the following services to its citizens: police and fire protection, parks and recreation, emergency medical, street maintenance and repairs, water and sewer.

Jointly Governed Organizations

The Village participates in jointly governed organizations. Note 12 to the financial statements 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

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village’s accounting policies.

Basis of Presentation

The Village’s basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” receipts and disbursements. The statements distinguish between those activities of the Village that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each program or function of the Village’s governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program’s goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the Village.

Fund Financial Statements During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds’ principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

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 in three categories: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village’s major governmental funds:

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

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Governmental Funds (Continued)

Bridge and Street Fund The Bridge and Street Fund is used to construct, maintain, and repair Village streets and bridges.

NEU Grant Fund The NEU Grant Fund is used to account for grants received to help address the economic and health impacts of the Coronavirus pandemic.

Fire Fund The Fire Fund is used for the payment of salaries and expenses of the fire department. The primary source of revenue is property taxes levied.

Police Fund The Police Fund is used to finance the police department operation. The primary source of revenue is voted property millage.

The other governmental funds of the Village account for and report grants and other resources whose use is restricted, committed or assigned to a particular purpose.

Proprietary Funds The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds. The Village does not have any internal service funds.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Village's major enterprise funds:

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

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the Village under a trust agreement, or equivalent arrangement that has certain characteristics, for individuals, private organizations, or other governments and are not available to support the Village's own programs. The Village does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Village's custodial funds account for amounts collected and distributed on behalf of another government or organization. These assets include the activities of the Mayor's Court and restitution.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned, and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Village Council may appropriate.

The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by Village Council. The legal level of control has been established by Village Council at the fund, function, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Village Council during the year.

Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Investments (Continued)

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2021 was \$6,468.

Inventory and Prepaid Items

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for road repair and maintenance, law enforcement, and capital projects.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as 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.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Assigned Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Village Council or a Village official delegated that authority by resolution or by State Statute. State Statute authorizes the Village Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

Internal Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).
2. General Fund Equivalent funds are included on a cash basis, but are excluded on a budgetary basis.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 – Budgetary Basis of Accounting (Continued)

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General	Bridge and Street	NEU Grant	Fire	Police
Cash Basis	\$233,150	(\$1,935)	\$213,453	(\$37,719)	(\$31,093)
Amounts excluded for Budgetary Reporting	(3,103)	-	-	-	-
Encumbrances	(5,006)	(4,800)	-	(2,150)	(52,249)
Budget Basis	<u>\$225,041</u>	<u>(\$6,735)</u>	<u>\$213,453</u>	<u>(\$39,869)</u>	<u>(\$83,342)</u>

Note 4 – Deposits and Investments

State statutes classify monies held by the Village into three categories.

Active deposits are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in 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.

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments (Continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Village had \$247 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments (Continued)

Deposits.

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the Village's bank balance of \$3,365,010 was either covered by FDIC or collateralized by FDIC or collateralized by its financial statement in the manner described below.

Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the Village and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in 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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Note 5 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2020 real property taxes are levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2021, was \$15.30 per \$1,000 of assessed value.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 5 – Taxes (Continued)

Property Taxes (Continued)

The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property	\$78,441,020
Public Utility Personal Property	<u>8,099,630</u>
Total	<u><u>\$86,540,650</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

Income Taxes

The Village levies a one percent income tax on substantially all income earned in the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. During 2021, revenue from the income tax amounted to \$1,739,794. All proceeds go to the General Fund.

Note 6 – Interfund Balances and Transfers

Transfers

During 2021, the following transfers were made:

Transfer to	<u>Transfer from</u>	<u>Major Funds</u>
	General	Total
Major Funds:		
Bridge and Street Fund	\$235,000	\$235,000
Fire Fund	\$175,000	175,000
Police Fund	600,000	600,000
Other Nonmajor		
Governmental Funds	<u>\$5,977</u>	<u>\$5,977</u>
Total all Funds	<u><u>\$1,015,977</u></u>	<u><u>\$1,015,977</u></u>

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 7 – Risk Management

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

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

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.

Note 8 – Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Village employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plans (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plans (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plans (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2021 Actual Contribution Rates	
Employer:	
Pension ****	14.0 %
Post-employment Health Care Benefits ****	0.0
Total Employer	14.0 %
 Employee	 10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit than 2 percent greater than the Public Safety rate.

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2021, the Village’s contractually required contribution was \$170,685.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – Village full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement. For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plans (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OP&F) (Continued)

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member’s base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member’s base pension benefit where the percentage is the lesser of 3.0% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plans (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OP&F) (Continued)

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OP&F was \$90,097 for 2021.

Note 9 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 9 – Postemployment Benefits (Continued)

Ohio Public Employees Retirement System (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was \$0 for 2021.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 9 – Postemployment Benefits (Continued)

Ohio Police and Fire Pension Fund

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 9 – Postemployment Benefits (Continued)

Ohio Police and Fire Pension Fund (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village’s contractually required contribution to OP&F was \$2,367 for 2021.

Note 10 – Debt

Bonded debt, note, and loan activity for the year ended December 31, 2021, was as follows:

Issue	Balance 12/31/20	Issued	Retired	Balance 12/31/21	Due in One Year
Governmental Activities					
Direct Borrowings:					
2003 - 0% OPWC Depot Street Reconstruction Loan	6,611	-	2,644	3,967	2,644
2008 - 0% OPWC Hillside Avenue Storm System Loan	60,001	-	3,333	56,668	3,334
2016 - 2.9% Fire Pumper Truck	180,178	-	29,227	150,951	29,860
2017 - 3.07% Backhoe Loan	25,709	-	12,661	13,048	13,048
Total Governmental Activities	\$ 272,499	\$ -	\$ 47,865	\$ 224,634	\$ 48,886

The Village has certain direct borrowings with the Ohio Public Works Commission (OPWC). In the event of a default, (1) OPWC may apply late fees of 8 percent per year, (2) loans more than sixty days late will be turned over to the Attorney General’s office for collection and, as provided by law, OPWC may require that such payment be taken from the County’s share of the County undivided local government fund, and (3) the outstanding amounts shall, at OPWC’s option, become immediately due and payable.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 10 – Debt (Continued)

Bonded debt, note, and loan activity for the year ended December 31, 2021, was as follows:

Issue	Balance 12/31/20	Issued	Retired	Balance 12/31/21	Due in One Year
Business-Type Activities					
Direct Borrowings:					
2001 - 2% OWDA Wastewater Treatment Plant Loan	720,047	-	234,784	485,263	239,977
2013 - 0% OPWC Bridge Street Sanitation Sewer Loan	183,334	-	8,334	175,000	8,333
2013 - 1% OWDA Bridge Street Sanitation Sewer Main Rehab Loan	8,270	-	7,350	920	920
2001 - 0% OPWC Elevated Tank & Line Treatment Plant Loan	8,216	-	5,477	2,739	2,739
2019 - 0% OWDA Loan	654,934		29,694	625,240	29,694
Total Business-Type Activities	\$ 1,574,801	\$ -	\$ 285,639	\$ 1,289,162	\$ 281,663

The Village’s overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$8,922,769 with an unvoted debt margin of \$4,595,737 at December 31, 2021.

The OWDA loans contain provisions that in an event of default, (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within thirty days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to OWDA, and (3) for each additional thirty days during which the charges remain unpaid, the Village shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 10 – Debt (Continued)

Annual debt service requirements to maturity for business-type activities obligations are:

	OPWC Loans		OWDA Loans	
	Principal		Principal	Interest
2022	\$ 11,072		\$ 270,591	\$ 9,363
2023	8,333		274,980	4,054
2024	8,333		29,694	-
2025	8,333		29,694	-
2026	8,333		29,694	-
2027-2031	41,665		148,470	-
2032-2036	41,665		148,470	-
2037-2041	41,665		148,470	-
2042-2043	8,340		31,360	-
	\$ 177,739		\$ 1,111,423	\$ 13,417

Annual debt service requirements to maturity for governmental activities are:

	OPWC Loans		Fire Pumper Truck		Backhoe Loan	
	Principal		Principal	Interest	Principal	Interest
2022	\$ 5,978		\$ 29,860	\$ 4,442	\$ 13,048	\$ 400
2023	4,655		30,745	3,557	-	-
2024	3,333		31,656	2,646	-	-
2025	3,333		32,594	1,708	-	-
2026	3,333		26,096	742	-	-
2027-2031	16,665		-	-	-	-
2032-2036	16,665		-	-	-	-
2037-2038	6,673		-	-	-	-
	\$ 60,635		\$ 150,951	\$ 13,095	\$ 13,048	\$ 400

The OWDA Wastewater Treatment Plant Loan was issued in 2001 for the purpose of constructing a new sewage treatment facility. The loan is being repaid from the Sewer Fund.

The Village issued an OPWC loan in 2013 with proceeds of \$250,000 for the Bridge Street Sanitation Sewer program. The OPWC loan is being repaid from the Sewer Fund.

The Village issued an OWDA loan in 2013 with proceeds of \$61,123 for the Water Quality Floating Rate project. The OWDA loan is being repaid from the Sewer Fund.

The OPWC Elevated Tank and Line Treatment Plant Loan was issued in 2001 in the amount of \$109,543 for the purpose of constructing a new water tower. This loan will be repaid from the Water Fund by July 1, 2022.

In March 2019, the Village issued an OWDA Loan in the amount of \$1,330,812. This loan was issued for the purpose of well construction and to pay off the previously issued OWDA Loan. This loan will be paid from the Water Fund.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 10 – Debt (Continued)

The OPWC Depot Street Reconstruction Loan was issued in 2003 in the amount of \$52,882 for the purpose of reconstruction and improvements to Depot Street. The loan is being repaid from the Depot Street Reconstruction Capital Projects Fund.

The 2008 OPWC loan was issued in the amount of \$100,000 for the purpose of improving the Hillside Avenue storm system. This loan is being repaid from the Hillside Avenue Storm System Fund.

In January 2017, the Village issued a loan in the amount of \$61,474 for the purpose of purchasing a backhoe. This loan was secured by the backhoe as pledged collateral. The loan is being paid from the Bridge and Street Fund.

In December of 2016, The Village obtained a loan in the amount of \$295,310 to purchase a fire pump truck. The loan was issued for a 10 year period, with a 2.9% interest rate. This loan was secured by the fire pump truck as pledged collateral. This loan is being repaid from the Fire Fund.

Leases

During 2021, the Village began leasing a Flush Truck at an interest rate of 2.95%. Lease payments are \$51,144 for 10 years beginning January 6, 2023.

Future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2023	\$51,144
2024	51,144
2025	51,144
2026	51,144
2027	51,144
2028-2032	<u>255,724</u>
Total	<u><u>\$511,444</u></u>

Note 11 – Contingent Liabilities

Grants

The Village received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the Village at December 31, 2021, if applicable, cannot be determined at this time.

Litigation

The Village is currently party to legal proceedings. Management does not believe the impact, if any, would be significant to the financial statements.

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 12 – Jointly Governed Organizations

Waverly Evergreen Union Cemetery: The Waverly Evergreen Union Cemetery, a jointly governed organization provides services within the Village. The Board of Trustees oversees the operation of the Cemetery. The Village does not have any financial interest in or responsibility for the Cemetery.

Note 13 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Bridge and Street	NEU Grant	Fire	Police	Other Governmental Funds	Total
Nonspendable							
Unclaimed Monies	\$ 11,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,171
<i>Total Nonspendable</i>	11,171	-	-	-	-	-	11,171
Restricted for							
Bridge & Street	-	204,493	-	-	-	-	204,493
Other Purposes	-	-	-	-	-	31,078	31,078
Fire	-	-	-	245,856	-	-	245,856
Police	-	-	-	-	293,113	-	293,113
Inner-City Highway	-	-	-	-	-	54,548	54,548
Mayor's Court Computer	-	-	-	-	-	69,001	69,001
NEU Grant	-	-	213,453	-	-	-	213,453
Permissive Tax	-	-	-	-	-	56,956	56,956
Capital Improvements	-	-	-	-	-	5,643	5,643
<i>Total Restricted</i>	-	204,493	213,453	245,856	293,113	217,226	1,174,141
Committed to							
Other Purposes	232,849	-	-	-	-	89,466	322,315
<i>Total Committed</i>	232,849	-	-	-	-	89,466	322,315
Assigned to							
Other Purposes	131,376	-	-	-	-	-	131,376
<i>Total Assigned</i>	131,376	-	-	-	-	-	131,376
Unassigned (Deficits)							
	449,482	-	-	-	-	-	449,482
<i>Total Fund Balances</i>	\$824,878	\$204,493	\$213,453	\$245,856	\$293,113	\$306,692	\$2,088,485

Village of Waverly, Ohio
Pike County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 14 – Change in Basis of Accounting and Restatement of Net Position/Fund Equity

Last year the Village Governmental fund financial statements were prepared using the modified accrual basis of accounting. The Government-wide financial statements were prepared using the accrual basis of accounting. This year the Village has implemented the cash basis of accounting described in Note 2. The adjustments to the beginning Fund Balances and the Net Position of Governmental activities are summarized as follows:

	General	Bridge and street	Fire	Police	Other Governmental Funds	Total
Beginning Fund Balances, January 1, 2021	\$ 886,339	\$ 248,190	\$ 288,411	\$ 329,275	\$ 413,186	\$ 2,165,401
GAAP Assets Excluded Under OCBOA	(738,241)	(206,507)	(137,582)	(424,480)	(28,707)	(1,535,517)
GAAP Liabilities Excluded Under OCBOA	22,722	9,138	4,472	23,198	3,780	63,310
GAAP Deferred Inflows Excluded Under OCBOA	420,908	155,607	128,274	396,213	22,227	1,123,229
Restated Fund Balances, January 1, 2021	<u>\$ 591,728</u>	<u>\$ 206,428</u>	<u>\$ 283,575</u>	<u>\$ 324,206</u>	<u>\$ 410,486</u>	<u>\$ 1,816,423</u>
Governmental Activities:						
Net Position, January 1, 2021	\$ 2,035,554					
GAAP Assets Excluded Under OCBOA	(4,730,248)					
GAAP Deferred Outflows Excluded Under OCBOA	(1,069,108)					
GAAP Liabilities Excluded Under OCBOA	4,230,284					
GAAP Deferred Inflows Excluded Under OCBOA	1,349,941					
Restated Net Position, January 1, 2021	<u>\$ 1,816,423</u>					

The restatement of the business-type activities is as follows:

	Water	Sewer	Total Business-Type Activities
Net Position January 1, 2021	\$3,324,605	\$4,625,440	\$7,950,045
Adjustments:			
GAAP Assets Excluded Under OCBOA	(4,468,250)	(5,957,669)	(10,425,919)
GAAP Deferred Outflows Excluded Under OCBOA	(84,463)	(76,485)	(160,948)
GAAP Liabilities Excluded Under OCBOA	1,223,473	1,370,634	2,594,107
GAAP Deferred Inflows Excluded Under OCBOA	135,835	150,388	286,223
<i>Restated Net Position</i> <i>January 1, 2021</i>	<u>\$131,200</u>	<u>\$112,308</u>	<u>243,508</u>

Note 15 – 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 will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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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 Waverly
Pike County
201 West North Street
Waverly, Ohio 45690

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Waverly, Pike County, (the Village) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated May 24, 2023, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles. 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 certain deficiencies in internal control, described in the accompanying schedule of findings as items 2021-001 and 2021-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

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
May 24, 2023

VILLAGE OF WAVERLY
PIKE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021

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

FINDING NUMBER 2021-001

Material Weakness

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.

Due to deficiencies in the Village's financial statement monitoring and review process, the Village made the following errors:

- Unassigned Fund Balance was overstated by \$232,849 and Committed Fund Balance was understated by \$232,849 in the General fund.
- Final Budgeted Revenues in the General Fund was overstated by \$219,937
- Original Budgeted Revenue in the Fire Fund was overstated by \$194,470
- Final Budgeted Revenues in the Fire Fund was overstated by \$194,733
- Other debt proceeds in the Fire Fund was overstated by \$175,000, transfers in was understated by \$175,000 in the Fire fund on the Budget and Actual statement.
- Final Budgeted Revenues in the Police fund were overstated by \$178,415.
- Actual expenditures in the NEU Grant fund were overstated by \$6,882 on the Budget and Actual statement.
- Unencumbered Beginning Fund Balance was overstated by \$4,116 in the Fire Fund.
- Unencumbered Beginning Fund Balance was overstated by \$1,597 in the Police Fund.

The Village corrected the financial statements and accounting records, where appropriate.

The Village made additional errors in amounts ranging from \$1,784 to \$52,249. The Village did not correct the financial statements for these errors.

Failure to accurately post and report transactions could result in material errors in the Village's financial statements and reduces the Village's ability to monitor financial activity and to make sound decisions which effect the overall available cash of the Village.

The Village should accurately record financial transactions. The Village officials should update control procedures for review of financial activity so that errors can be detected and corrected in a timely manner.

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2021-002

Material Weakness

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Village and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amounts appropriated by the Council are precisely stated and accurately posted to the appropriation ledger.

The following represents errors found in the appropriation ledger:

Fund	Final Appropriations	Amounts per Accounting System	Variance
General	\$2,464,954	\$2,467,682	(2,728)
Bridge and Street	\$626,950	\$632,921	(5,971)
Fire	\$408,000	\$597,958	(189,958)
Police	\$1,233,700	\$1,243,638	(9,938)
Water	\$964,080	\$964,470	(390)
Sewer	\$1,070,200	\$1,094,730	(24,530)

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The following represent errors found in the receipt ledger:

Fund	Estimated Receipts	Amounts posted to Receipt Ledger	Variance
General	\$2,000,000	\$2,226,852	(226,852)
Fire	\$360,000	\$554,733	(194,733)
Police	\$1,000,000	\$1,178,415	(178,415)
Water	\$1,025,000	\$1,208,678	(183,678)
Sewer	\$1,050,000	\$1,268,130	(218,130)

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Council were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) were not properly posted to the accounting system.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

**FINDING NUMBER 2021-002
(Continued)**

Officials' Response:

We did not receive a response from Officials to this finding.

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City of Waverly

Debra J. Whaley, Auditor

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Inaccurate Capital Asset Listing	Finding No Longer Valid	The Village no longer files GAAP
2020-002	Inaccurate recording of Transactions	Not Corrected	Reissued as 2021-001
2020-003	Finding for Recovery-OPERS withholdings	Corrected	As of December 2022, repayment has been made in full.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WAVERLY

PIKE 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 6/13/2023

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