



**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

**OHIO AUDITOR OF STATE
KEITH FABER**



**VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY
DECEMBER 31, 2021 AND 2020**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Waynesfield
Auglaize County
300 North Westminster Street
P.O. Box 128
Waynesfield, Ohio 45896

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Waynesfield, Auglaize County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2021 and 2020, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 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

February 9, 2023

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**Village of Waynesfield
Auglaize County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$48,249				\$48,249
Municipal Income Tax	159,603				159,603
Intergovernmental	55,332	\$54,803		\$34,200	144,335
Charges for Services	6,085				6,085
Fines, Licenses and Permits	21,129				21,129
Earnings on Investments	1,524	147			1,671
Miscellaneous	32,560				32,560
<i>Total Cash Receipts</i>	<u>324,482</u>	<u>54,950</u>		<u>34,200</u>	<u>413,632</u>
Cash Disbursements					
Current:					
Security of Persons and Property	134,983				134,983
Public Health Services	26				26
Leisure Time Activities	13,388				13,388
Transportation	2,490	38,427			40,917
General Government	156,160	49,627			205,787
Capital Outlay				50,960	50,960
Debt Service:					
Principal Retirement	3,990	18,524	\$3,232	20,951	46,697
Interest and Fiscal Charges			3,364		3,364
<i>Total Cash Disbursements</i>	<u>311,037</u>	<u>106,578</u>	<u>6,596</u>	<u>71,911</u>	<u>496,122</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>13,445</u>	<u>(51,628)</u>	<u>(6,596)</u>	<u>(37,711)</u>	<u>(82,490)</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	4,640				4,640
Transfers In			8,000		8,000
Transfers Out	(8,000)				(8,000)
Other Financing Sources		4,469			4,469
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(3,360)</u>	<u>4,469</u>	<u>8,000</u>		<u>9,109</u>
<i>Net Change in Fund Cash Balances</i>	10,085	(47,159)	1,404	(37,711)	(73,381)
<i>Fund Cash Balances, January 1</i>	189,784	185,719	980	37,711	414,194
<i>Fund Cash Balances, December 31</i>	<u>\$199,869</u>	<u>\$138,560</u>	<u>\$2,384</u>	<u>\$0</u>	<u>\$340,813</u>

See accompanying notes to the financial statements

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

	Enterprise
Operating Cash Receipts	
Charges for Services	\$1,246,316
Miscellaneous	984
	1,247,300
<i>Total Operating Cash Receipts</i>	<i>1,247,300</i>
Operating Cash Disbursements	
Personal Services	191,253
Employee Fringe Benefits	53,854
Contractual Services	808,124
Supplies and Materials	63,347
Other	24
	1,116,602
<i>Total Operating Cash Disbursements</i>	<i>1,116,602</i>
<i>Operating Income</i>	<i>130,698</i>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	42,791
Miscellaneous Receipts	3,340
Capital Outlay	(129,094)
Excise Tax Payment - Electric	(4,593)
Principal Retirement	(29,455)
Interest and Other Fiscal Charges	(34,610)
	(151,621)
<i>Total Non-Operating (Disbursements)</i>	<i>(151,621)</i>
<i>Income (Loss) before Transfers</i>	<i>(20,923)</i>
Transfers In	84,444
Transfers Out	(84,444)
	(20,923)
<i>Net Change in Fund Cash Balance</i>	<i>(20,923)</i>
<i>Fund Cash Balance, January 1</i>	<i>1,305,279</i>
<i>Fund Cash Balance, December 31</i>	<i>\$1,284,356</i>

See accompanying notes to the financial statements

Village of Waynesfield
Auglaize County
Statement of Additions, Deductions
and Changes in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021

	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$3,143
Other Amounts Collected for Distribution	7,519
<i>Total Additions</i>	10,662
Deductions	
Distributions to Other Governments	10,662
<i>Total Deductions</i>	10,662
<i>Net Change in Fund Balance</i>	0
<i>Fund Cash Balance, January 1</i>	8,000
<i>Fund Cash Balance, December 31</i>	\$8,000

See accompanying notes to the financial statements

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

Note 1 – Reporting Entity

The Village of Waynesfield (the Village), Auglaize County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides electric, water and sewer utilities, park operations, street repair and maintenance, and police services. The Village contracts with Wayne Township to receive fire protection services and emergency medical services.

Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pools

The Village participates in two joint ventures, one jointly governed organization, and one public entity risk pool. Notes 11 through 13 to financial statements provides additional information for these entities. These organizations are as follows:

Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5) – created to provide electricity to the Village.

Municipal Energy Services Agency (MESA) – created to help reduce the cost of providing electricity to the Village.

Auglaize County Regional Planning Commission - created to formulate and review plans affecting long and short term social, economic, and governmental development within the region.

Ohio Municipal League Group Rating Plan - – created to allow municipalities an opportunity to pool resources to reduce workers' compensation premiums.

The Village's management believes these financial statements present all activities for which the Village is financially accountable

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for the proprietary fund type and a statement of additions, deductions and changes in fund balance (regulatory cash basis) for the fiduciary fund type, which are all organized on a fund type basis.

Fund Accounting

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

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

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

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

Street Construction Maintenance and Repair Fund: The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Permissive Motor Vehicle Fund: The fund receives motor vehicle license tax money for constructing, maintaining, and repairing Village streets.

Coronavirus Relief Fund: The fund receives resources intended for the response related to the COVID-19 pandemic.

Debt Service Fund: This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for outstanding debt service. The Village had the following significant Debt Service Fund:

Osgood Loan – Park Enhancement: This loan was acquired to purchase adjoining properties to the Village’s park. Acquiring this land was also a part of the Park Enhancement Project.

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

Park Enhancement Project: This fund received restricted receipts for the enhancement and improvements of the Village’s park.

West Wapakoneta Street: This fund received restricted receipts for the street repair project.

Enterprise Funds: These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

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

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

Electric Fund: The electric fund receives charges for services from residents and commercial users to cover electric service costs.

Fiduciary Fund: The Village’s fiduciary fund is a custodial fund. Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. Mayor’s Court is recorded in the Village’s custodial fund.

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

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2021 budgetary activity appears in Note 3.

Deposits

The Village has no investments and holds its deposits in depository accounts.

Capital Assets

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

Accumulated Leave

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

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

Fund Balance

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

Nonspendable - The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balances is included in Note 16.

Note 3 – Budgetary Activity

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

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$246,900	\$329,122	\$82,222
Special Revenue	77,616	59,419	(18,197)
Debt Service	8,000	8,000	0
Capital Projects	1,000,000	34,200	(965,800)
Enterprise	1,297,300	1,377,875	80,575
Custodial	14,000	10,662	(3,338)
Total	\$2,643,816	\$1,819,278	(\$824,538)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$404,740	\$324,445	\$80,295
Special Revenue	187,778	106,805	80,973
Debt Service	8,000	6,596	1,404
Capital Projects	1,037,711	71,911	965,800
Enterprise	2,002,348	1,418,106	584,242
Fiduciary	18,000	10,662	7,338
Total	\$3,658,577	\$1,938,525	\$1,720,052

Note 4 – Deposits

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

Demand deposits	2021 \$1,632,969
Cash on Hand	200
Total Deposits and Cash on Hand	\$1,633,169

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

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

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Note 6 – Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 – Defined Benefit Pension Plans

Retirement Systems

The Village's full-time police officers belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plan's benefits, which include postretirement healthcare and survivor and disability benefits.

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. OP&F participants contributed 12.25% of their gross salaries and the Village contributed an amount equaling 19.5% of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Social Security

The Council Members contribute to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
OMEGA JV5 Bond	\$37,077	Variable
OPWC North/ 3rd Street Reconstruction CM08U	\$8,500	0%
OPWC S. Westminster St. Reconstruction CT40K	\$111,712	0%
OPWC Water Treatment Plant Improvements CM13I	\$104,229	0%
OPWC Northtown Storm Sewer Replacement CM10T	\$75,972	0%
OPWC N. Westminster Street Project CT27Q	\$248,153	0%
OPWC WWTP Upgrades - CT43S	\$476,000	0%
OWDA WWTP Improvements - 7198	\$319,980	0.29%
Osgood State Bank - Park Enhancement	\$65,510	3.49%
Total	<u>\$1,447,133</u>	

Ohio Public Works Commission (OPWC) Loan No. CM13I - During 2005, a loan was obtained from the Ohio Public Works Commission in the amount of \$297,790 for a new water treatment plant, water line replacements, and new water meter installation. The Village entered into the loan on July 5, 2005, the Village received \$193,479 of loan proceed during 2007 and the remaining amount of \$104,311 was received in 2008. This is a 0% interest 20 year loan and payments began January 2009. The debt will be financed through enterprise fund user charges.

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

Ohio Public Works Commission (OPWC) Loan No. CT40K - During 2008, a loan was obtained from the Ohio Public Works Commission in the amount of \$319,179 for the South Westminster Street Reconstruction project. This is a 0% interest 20 year loan and payments began July 2009. Due to the various aspects of the project, this loan will be repaid from the General fund (25%), Street Construction Maintenance and Repair fund (65%) and Water Operating fund (10%).

OMEGA JV 5 Bond – This project consists of governmental entities that joined together to finance a municipal electric generation facility. Bonded debt was issued in the amount of \$153,415,000 for the project. The amount listed above represents the Village’s participant share. The debt will be financed through electric user charges. No amortization data is available at this time. The JV5 debt is made up of two series, the 2001 BICS, which is an accretion bond, and the 2016 bond, which is paid monthly. Excessive debt service is being collected ahead to be able to begin making the payments on the 2001 BICS, which will also allow rates billed to JV5 owners to remain stable. The difference due to these excess collections was \$139 in 2021.

Ohio Public Works Commission (OPWC) Loan No. CM10T - In 2016, a loan from the Ohio Public Works Commission was obtained to upgrade and replace the Northtown Storm Sewer located near the Industrial Park. The loan amount was for \$89,418 for a period of 20 years at a 0% interest rate. The project concluded in the Spring of 2018. The debt will be financed through assessments collected by the Auglaize County Auditor’s office.

Ohio Public Works Commission (OPWC) Loan No. CT27Q - In 2016, the Village received a \$310,000, 30 year loan at 0% interest from the Ohio Public Works Commission in an effort to reconstruct North Westminster Street. Reconstruction ended in late 2016 and change orders were made from ODOT, changing the final dollar amount. This is a 30-year loan with no interest. This loan is being paid in equal amounts from the Street Construction, Maintenance and Repair, Sewer Operating, and Electric Operating funds.

Ohio Public Works Commission (OPWC) Loan No. CT43S - During 2016, the Village was awarded a \$560,000 loan from the Ohio Public Works Commission for the Wastewater Treatment Plant upgrades. The loan is for 30 years at 0% interest. This project concluded in 2017. This loan is being repaid from the WWTP Lagoons Repay fund.

Osgood State Bank Loan - In 2017, the Village obtained a loan through Osgood State Bank for \$103,438 for 10 years with an interest rate of 3.49%. The loan was obtained in an effort to purchase properties directly connected to the park, to protect well heads and enlarge the “green space” area at the park. This loan is being repaid from the Park Enhancement Project debt service fund with general revenues of the Village.

Ohio Water Development Authority (OWDA) Loan No. 7198- In 2015, the Village encumbered a loan from Ohio Water Development Authority for waste water treatment plant project. The Village drew additional funds in 2017 for a total of \$425,920. The 20-year loan is at .29% interest and is being repaid from the WWTP Lagoons Repay fund.

Ohio Public Works Commission (OPWC) Loan No. CM08U – In 2019, the Village encumbered a loan from the OPWC. The loan amount was \$10,000 for a period of 20 years at a 0% interest rate for North/3rd Street reconstruction. This loan is being repaid from the Street Construction Maintenance and Repair fund.

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

Interceptor Lease/Purchase – In 2019, the Village entered into a lease-purchase agreement for the purchase of a police interceptor. The lease-purchase amount was \$48,655 for a period of 3 years at a 7.6% interest rate. This loan is being repaid from the general fund.

Amortization

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

Year ending December 31:	OPWC CM08U		OPWC CM13I		OPWC CT40K		OPWC CT27Q	
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2022	\$0	\$250	\$0	\$7,445	\$0	\$7,979	\$0	\$4,772
2023	0	500	0	14,890	0	15,959	0	9,544
2024	0	500	0	14,890	0	15,959	0	9,544
2025	0	500	0	14,890	0	15,959	0	9,544
2026	0	500	0	14,890	0	15,959	0	9,544
2027-2031	0	2,500	0	37,224	0	39,897	0	47,722
2032-2036	0	2,500					0	47,722
2037-2041	0	1,250						47,722
2042-2046								47,722
2047-2048								14,317
Total	\$0	\$8,500	\$0	\$104,229	\$0	\$111,712	\$0	\$248,153

OPWC CT43S		OPWC CM10T		OPWC Total		OWDA 7198	
Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
\$0	\$9,333	\$0	\$2,234	\$0	\$32,013	\$464	\$10,811
0	18,667	0	4,469	0	64,029	881	21,670
0	18,667	0	4,469	0	64,029	818	21,733
0	18,667	0	4,469	0	64,029	755	21,796
0	18,667	0	4,469	0	64,029	692	21,859
0	93,333	0	22,345	0	243,021	2,503	110,251
0	93,333	0	22,345	0	165,900	894	111,860
0	93,333	0	11,172	0	153,477		
0	93,333			0	141,055		
0	18,667			0	32,984		
\$0	\$476,000	\$0	\$75,972	\$0	\$1,024,566	\$7,007	\$319,980

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

Year ending December 31:	Osgood State Bank	
	Interest	Principal
2022	\$2,118	\$5,076
2023	\$2,027	\$5,169
2024	\$1,844	\$5,352
2025	\$1,653	\$5,542
2026	\$1,457	\$5,739
2027	<u>\$735</u>	<u>\$38,632</u>
Total	\$9,834	\$65,510

Note 10 – Contingent Liabilities

The Village is defendant in a lawsuit. Management cannot presently determine the outcome of this suit.

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

Note 11 – Joint Ventures with an Equity Interest

A. Ohio Municipal Generation Agency Joint Venture 5 (OMEGA JV5)

The Village is a Financing Participant with an ownership percentage of .08 %, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2021, the Village has met its debt coverage obligation.

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

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015 of \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs.

The Village's net investment to date in OMEGA JV5 was \$2,390 at December 31, 2021. Complete financial statements for OMEGA JV5 may be obtained from AMP.

B. Municipal Energy Services Agency (MESA)

Municipal Energy services Agency ("MESA") was organized by 31 subdivisions of the State of Ohio (the "Participants") on December 31, 1996, pursuant to a Joint Venture Agreement (the "Agreement") under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. As of December 31, 2007, there were 48 Participants in MESA. Its purpose is to provide access to a pool of personnel experienced in planning, engineering, construction, safety training, finance, administration and other aspects of the operations and maintenance of Municipal electric and other utility systems. The Participants are members of American Municipal Power-Ohio, Inc. ("AMP-Ohio). MESA also provides personnel and administrative services to AMP-Ohio, the Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6 ("OMEGA JVs"), the Ohio Municipal Electric Association (OMEA") and the Ohio Public Power Educational Institute ("OPPEI"). The Agreement continues until December 31, 2006, and thereafter for successive terms of three years so long as at least two participants have not given notice

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

Note 12 – Jointly Governed Organizations

The Village is associated with the Auglaize County Regional Planning Commission, which is a jointly governed organization. The Village is responsible for sending an elected Council member and alternate to sit on the board. The Commission’s board consists of representatives from participating political subdivisions, the Auglaize County Commissioners, and appointed citizens. The Commission formulates and reviews plans affecting long and short term social, economic, and governmental development within the region.

Note 13 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-four member Board of Trustees, which are voted on by the members for staggered four-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 14 – Transfers

The Village transferred funds from the Water and Sewer Operations funds to the Water Enterprise Improvement, Sewer Enterprise Improvement, Other Enterprise – Water Treatment Plant, and Other Enterprise WWTP Lagoons Repay funds in the amount of \$84,444. The General Fund transferred \$8,000 to the Debt Service fund.

Note 15 – AMP Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Venture as described in Note 11. The Village is liable for debt related to the financing of the OMEGA joint venture. The activity is accounted for in the Village’s Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. The calculation of Joint Venture 5 (JV5) debt coverage and the financial breakdown of the Electric Fund are presented separately to satisfy debt covenant compliance requirements with AMP Ohio. Summary financial information for the year ended December 31, 2021 for the Electric Fund is presented below:

Calculation of JV5 Debt Coverage

	2021
Operating Income	\$ 77,035
JV5 Debt Service (included below as cash disbursements to AMP Ohio)	7,533
KWH Tax from General fund	-
Adjusted Operating Income Available for Debt Service	84,568
OMEGA JV5 Debt Services (paid to AMP Ohio)	7,533
Other Electric System Debt Service	-
Total Electric System Debt	\$ 7,533
Coverage (Covenants require 110% coverage of all debt)	1123%

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

As of December 31, 2021:

	Electric Fund	Other Proprietary Funds	Total Proprietary Funds
Operating Cash Receipts			
Charges for Services	966,632	279,684	1,246,316
Other Operating Receipts	984	0	984
Total Operating Cash Receipts	<u>967,616</u>	<u>279,684</u>	<u>1,247,300</u>
Operating Cash Disbursements			
Personal Services	73,383	117,870	191,253
Fringe Benefits	26,296	27,558	53,854
Contractual Services	765,333	42,791	808,124
Supplies and Materials	25,569	37,778	63,347
Other Operating Disbursements	0	24	24
Total Operating Cash Disbursements	<u>890,581</u>	<u>226,021</u>	<u>1,116,602</u>
Operating Receipts Over (Under) Operating Disbursements	77,035	53,663	130,698
Non-Operating Receipts (Disbursements)			
Other Non-Operating Receipts	2,324	43,807	46,131
Other Non-Operating Disbursements	(4,593)	0	(4,593)
Capital Outlay	(30,688)	(98,406)	(129,094)
Principal Retirement	(3,181)	(26,274)	(29,455)
Interest and Other Fiscal Charges	0	(34,610)	(34,610)
Total Non-Operating Receipts (Disbursements)	<u>(36,138)</u>	<u>(115,483)</u>	<u>(151,621)</u>
Change in Net Position	40,897	(61,820)	(20,923)
Net Position - Cash Basis, January 1	<u>706,957</u>	<u>598,322</u>	<u>1,305,279</u>
Net Position - Cash Basis, December 31	<u>747,854</u>	<u>536,502</u>	<u>1,284,356</u>

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

As more fully described in the previous paragraphs, the Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village’s project share was 790 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.10 percent project share. The AMPGS Project required participants to sign “take or pay” contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed *impaired* and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP’s pursuit of legal action to collect them from Bechtel. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village’s estimated share of the impaired costs at March 31, 2014 was \$136,923. The Village received a credit of \$42,984 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$35,728 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU), leaving an estimated net impaired cost balance of \$58,211. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village’s net impaired cost balance. These amounts will be recorded as they become estimable.

The Village made payments in 2021 totaling \$7,473, leaving a net impaired cost estimate of \$43,379 at December 31, 2021.

The Village intends to recover these costs and repay AMP through a power cost adjustment.

Note 16 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$1,776		\$1,776
Outstanding Encumbrances	5,410	226	5,636
<i>Total</i>	<u>\$7,186</u>	<u>\$226</u>	<u>\$7,412</u>

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

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

Note 17 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures 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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**Village of Waynesfield
Auglaize County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$42,712				\$42,712
Municipal Income Tax	125,162				125,162
Intergovernmental	48,470	\$171,064		\$29,451	248,985
Special Assessments	226				226
Charges for Services	3,290				3,290
Fines, Licenses and Permits	21,507				21,507
Earnings on Investments	7,189	584			7,773
Miscellaneous	15,117				15,117
<i>Total Cash Receipts</i>	<u>263,673</u>	<u>171,648</u>		<u>29,451</u>	<u>464,772</u>
Cash Disbursements					
Current:					
Security of Persons and Property	118,894				118,894
Public Health Services	26				26
Leisure Time Activities	13,625				13,625
Transportation	2,476	14,939			17,415
General Government	143,074	68,350			211,424
Capital Outlay		500		33,012	33,512
Debt Service:					
Principal Retirement	3,990	13,556	3,839		21,385
Interest and Fiscal Charges			3,357		3,357
<i>Total Cash Disbursements</i>	<u>282,085</u>	<u>97,345</u>	<u>7,196</u>	<u>33,012</u>	<u>419,638</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(18,412)</u>	<u>74,303</u>	<u>(7,196)</u>	<u>(3,561)</u>	<u>45,134</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	17,244				17,244
Transfers In		8,000	8,000		16,000
Transfers Out	(16,000)				(16,000)
<i>Total Other Financing Receipts</i>	<u>1,244</u>	<u>8,000</u>	<u>8,000</u>		<u>17,244</u>
<i>Net Change in Fund Cash Balances</i>	<u>(17,168)</u>	<u>82,303</u>	<u>804</u>	<u>(3,561)</u>	<u>62,378</u>
<i>Fund Cash Balances, January 1</i>	<u>206,952</u>	<u>103,416</u>	<u>176</u>	<u>41,272</u>	<u>351,816</u>
<i>Fund Cash Balances, December 31</i>	<u>\$189,784</u>	<u>\$185,719</u>	<u>\$980</u>	<u>\$37,711</u>	<u>\$414,194</u>

See accompanying notes to the financial statements

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

	Enterprise
Operating Cash Receipts	
Charges for Services	\$1,190,440
Miscellaneous	992
	1,191,432
Operating Cash Disbursements	
Personal Services	160,987
Employee Fringe Benefits	44,941
Contractual Services	786,345
Supplies and Materials	71,888
	1,064,161
<i>Total Operating Cash Disbursements</i>	1,064,161
<i>Operating Income</i>	127,271
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	7,997
Capital Outlay	(44,879)
Excise Tax Payment - Electric	(3,899)
Principal Retirement	(42,178)
Interest and Other Fiscal Charges	(34,762)
	(117,721)
<i>Total Non-Operating (Disbursements)</i>	(117,721)
<i>Income (Loss) before Transfers</i>	9,550
Transfers In	84,074
Transfers Out	(84,074)
	9,550
<i>Net Change in Fund Cash Balance</i>	9,550
<i>Fund Cash Balance, January 1</i>	1,295,729
<i>Fund Cash Balance, December 31</i>	\$1,305,279

See accompanying notes to the financial statements

Village of Waynesfield
Auglaize County
Statement of Additions, Deductions
and Changes in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2020

	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$3,677
Other Additions	8,000
Other Amounts Collected for Distribution	8,426
<i>Total Additions</i>	20,103
Deductions	
Distributions to Other Governments	12,103
<i>Total Deductions</i>	12,103
<i>Net Change in Fund Balance</i>	8,000
<i>Fund Cash Balance, January 1</i>	0
<i>Fund Cash Balance, December 31</i>	\$8,000

See accompanying notes to the financial statements

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

Note 1 – Reporting Entity

The Village of Waynesfield (the Village), Auglaize County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides electric, water and sewer utilities, park operations, street repair and maintenance, and police services. The Village contracts with Wayne Township to receive fire protection services and emergency medical services.

Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pools

The Village participates in two joint ventures, one jointly governed organization, and one public entity risk pool. Notes 11 through 13 to the financial statements provides additional information for these entities. These organizations are as follows:

Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5) – created to provide electricity to the Village.

Municipal Energy Services Agency (MESA) – created to help reduce the cost of providing electricity to the Village.

Auglaize County Regional Planning Commission – created to formulate and review plans affecting long and short term social, economic, and governmental development within the region.

Ohio Municipal League Group Rating Plan – created to allow municipalities an opportunity to pool resources to reduce workers' compensation premiums.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for the proprietary fund type and a statement of additions, deductions and changes in fund balance (regulatory cash basis) for the fiduciary fund type, which are all organized on a fund type basis.

Fund Accounting

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

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

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

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

Street Construction Maintenance and Repair Fund: The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Permissive Motor Vehicle Fund: The fund receives motor vehicle license tax money for constructing, maintaining, and repairing Village streets.

Coronavirus Relief Fund: The fund receives resources intended for the response related to the COVID-19 pandemic.

Debt Service Fund: This fund accounts for and report financial resources that are restricted, committed, or assigned to expenditure for outstanding debt service. The Village had the following significant Debt Service Fund:

Osgood Loan – Park Enhancement: This loan was acquired to purchase adjoining properties to the Village’s park. Acquiring this land was also a part of the Park Enhancement Project.

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

Park Enhancement Project: This fund received restricted receipts for the enhancement and improvements of the Village’s park.

Enterprise Funds: These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

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

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

Electric Fund: The electric fund receives charges for services from residents and commercial users to cover electric service costs.

Fiduciary Fund: The Village’s fiduciary fund is a custodial fund. Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. Mayor’s Court is recorded in the Village’s custodial fund.

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

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2020 budgetary activity appears in Note 3.

Deposits

The Village has no investments and holds its deposits in depository accounts.

Capital Assets

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

Accumulated Leave

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

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

Fund Balance

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

Nonspendable - The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 16.

Note 3 – Budgetary Activity

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

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$248,990	\$280,917	\$31,927
Special Revenue	160,752	179,648	18,896
Debt Service	8,000	8,000	0
Capital Projects	104,802	29,451	(75,351)
Enterprise	1,342,300	1,283,503	(58,797)
Custodial	18,000	20,103	2,103
Total	\$1,882,844	\$1,801,622	(\$81,222)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$393,484	\$309,607	\$83,877
Special Revenue	227,252	138,984	88,268
Debt Service	8,000	7,196	804
Capital Projects	146,073	33,012	113,061
Enterprise	1,901,383	1,346,501	554,882
Fiduciary	10,000	12,103	(2,103)
Total	\$2,686,192	\$1,847,403	\$838,789

Note 4 – Deposits

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

Demand deposits	2020 \$1,727,273
Cash on hand	200
Total Deposits and Cash on Hand	\$1,727,473

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities pledged by the financial institution to the Village.

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

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Note 6 – Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 – Defined Benefit Pension Plans

Retirement Systems

The Village's full-time police officers belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plan's benefits, which include postretirement healthcare and survivor and disability benefits.

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. OP&F participants contributed 12.25% of their gross salaries and the Village contributed an amount equaling 19.5% of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

Social Security

The Council Members contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions to health care for OPERS members in the Traditional Pension Plan and the Combined Plan was 0 percent during calendar year 2020. The portion of contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

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

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
OMEGA JV5 Bond	\$44,689	Variable
Interceptor Lease/Purchase	\$14,948	7.60%
OPWC North/ 3rd Street Reconstruction CM08U	\$9,000	0%
OPWC S. Westminster St. Reconstruction CT40K	\$127,672	0%
OPWC Water Treatment Plant Improvements CM13I	\$119,116	0%
OPWC Northtown Storm Sewer Replacement CM10T	\$80,441	0%
OPWC N. Westminster Street Project CT27Q	\$257,699	0%
OPWC WWTP Upgrades - CT43S	\$494,667	0%
OWDA WWTP Improvements - 7198	\$341,556	0.29%
Osgood State Bank - Park Enhancement	\$90,080	3.49%
Total	<u>\$1,579,868</u>	

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

Ohio Public Works Commission (OPWC) Loan No. CM13I - During 2005, a loan was obtained from the Ohio Public Works Commission in the amount of \$297,790 for a new water treatment plant, water line replacements, and new water meter installation. The Village entered into the loan on July 5, 2005, the Village received \$193,479 of loan proceeds during 2007 and the remaining amount of \$104,311 was received in 2008. This is a 0% interest 20 year loan and payments began January 2009. The debt will be financed through enterprise fund user charges.

Ohio Public Works Commission (OPWC) Loan No. CT40K - During 2008, a loan was obtained from the Ohio Public Works Commission in the amount of \$319,179 for the South Westminster Street Reconstruction project. This is a 0% interest 20 year loan and payments began July 2009. Due to the various aspects of the project, this loan will be repaid from the General fund (25%), Street Construction Maintenance and Repair fund (65%) and Water Operating fund (10%).

OMEGA JV 5 Bond – This project consists of governmental entities that joined together to finance a municipal electric generation facility. Bonded debt was issued in the amount of \$153,415,000 for the project. The amount listed above represents the Village’s participant share. The debt will be financed through electric user charges. No amortization data is available at this time. The JV5 debt is made up of two series, the 2001 BICS, which is an accretion bond, and the 2016 bond, which is paid monthly. Excess debt service is being collected ahead to be able to begin making the payments on the 2001 BICS, which will also allow rates billed to JV5 owners to remain stable. The difference due to these excess collections was \$2,926 in 2020.

AMP Loan - During 2011, a loan was approved from AMP Ohio in the amount of \$350,000 for Distribution Rebuild. This debt was paid off in 2020.

Ohio Public Works Commission (OPWC) Loan No. CM10T - In 2016, a loan from the Ohio Public Works Commission was obtained to upgrade and replace the Northtown Storm Sewer located near the Industrial Park. The loan amount was for \$89,418 for a period of 20 years at a 0% interest rate. The project concluded in the Spring of 2018. The debt will be financed through assessments collected by the Auglaize County Auditor’s office.

Ohio Public Works Commission (OPWC) Loan No. CT27Q - In 2016, the Village received a \$310,000, 30 year loan at 0% interest from the Ohio Public Works Commission in an effort to reconstruct North Westminster Street. Reconstruction ended in late 2016 and change orders were made from ODOT, changing the final dollar amount. This is a 30-year loan with no interest. This loan is being paid in equal amounts from the Street Construction, Maintenance and Repair, Sewer Operating, and Electric Operating funds.

Ohio Public Works Commission (OPWC) Loan No. CT43S - During 2016, the Village was awarded a \$560,000 loan from the Ohio Public Works Commission for the Wastewater Treatment Plant upgrades. The loan is for 30 years at 0% interest. This project concluded in 2017. This loan is being repaid from the WWTP Lagoons Repay Fund.

Osgood State Bank Loan - In 2017, the Village obtained a loan through Osgood State Bank for \$103,438 for 10 years with an interest rate of 3.49%. The loan was obtained in an effort to purchase properties directly connected to the park, to protect well heads and enlarge the “green space” area at the park. This loan is being repaid from the Park Enhancement Project debt service fund with general revenues of the Village.

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

Ohio Water Development Authority (OWDA) Loan No. 7198 - In 2015, the Village encumbered a loan from Ohio Water Development Authority for a waste water treatment plant project. The Village drew additional funds in 2017 for a total of \$425,920. The 20-year loan is at .29% interest and is being repaid from the WWTP Lagoons Repay Fund.

Ohio Public Works Commission (OPWC) Loan No. CM08U – In 2019, the Village encumbered a loan from the OPWC. The loan amount was \$10,000 for a period of 20 years at a 0% interest rate for North/3rd Street reconstruction. This loan is being repaid from the Street Construction Maintenance and Repair fund.

Interceptor Lease/Purchase – In 2019, the Village entered into a lease-purchase agreement for the purchase of a police interceptor. The lease-purchase amount was \$48,655 for a period of 3 years at an 7.6% interest rate. This loan is being repaid from the general fund.

Amortization

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

Year ending December 31:	OPWC CM08U		OPWC CM13I		OPWC CT40K		OPWC CT27Q	
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2021	\$0	\$250	\$0	\$7,445	\$0	\$7,979	\$0	\$4,772
2022	0	500	0	14,890	0	15,959	0	9,544
2023	0	500	0	14,890	0	15,959	0	9,544
2024	0	500	0	14,890	0	15,959	0	9,544
2025	0	500	0	14,890	0	15,959	0	9,544
2026-2030	0	2,500	0	52,111	0	55,857	0	47,722
2031-2035	0	2,500					0	47,722
2036-2040	0	1,750					0	47,722
2041-2045							0	47,722
2046-2048							0	23,863
Total	\$0	\$9,000	\$0	\$119,116	\$0	\$127,672	\$0	\$257,699

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

Year ending December 31:	OPWC CT43S		OPWC CM10T		OPWC Total	
	Interest	Principal	Interest	Principal	Interest	Principal
2021	\$0	\$ 9,333.00	\$0	\$2,234	\$0	\$32,014
2022	0	18,667.00	0	4,469	0	64,029
2023	0	18,667.00	0	4,469	0	64,029
2024	0	18,667.00	0	4,469	0	64,029
2025	0	18,667.00	0	4,469	0	64,029
2026-2030	0	93,333.00	0	22,345	0	273,870
2031-2035	0	93,333.00	0	22,345	0	165,900
2036-2040	0	93,333.00	0	15,641	0	158,446
2041-2045	0	93,333.00			0	141,055
2046-2048	0	37,334.00			0	61,195
Total	\$0	\$494,667.00	\$0	\$80,441.00	\$0	\$1,088,596

Year ending December 31:	OWDA 7198		Lease-Purchase	
	Interest	Principal	Interest	Principal
2021	\$495	\$10,780	\$1,271	\$14,948
2022	944	21,607		
2023	881	21,670		
2024	818	21,733		
2025	755	21,796		
2026-2030	2,822	109,932		
2031-2035	1,217	111,536		
2036-2040	49	22,502		
Total	\$7,981	\$341,556	\$1,271	\$14,948

Osgood State Bank		
Year ending December 31:	Interest	Principal
2021	\$3,101	\$4,095
2022	\$2,968	\$4,228
2023	\$2,834	\$4,362
2024	\$2,678	\$4,518
2025	\$2,514	\$4,682
2026-2030	\$8,004	\$68,195
Total	\$22,099	\$90,080

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

Note 10 – Contingent Liabilities

The Village is defendant in a lawsuit. Management cannot presently determine the outcome of this suit.

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

Note 11 – Joint Ventures with Equity Interest

A. Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)

The Village is a Financing Participant with an ownership percentage of .08 %, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2020, the Village has met its debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

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

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015 of \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs.

The Village's net investment to date in OMEGA JV5 was \$2,390 at December 31, 2020. Complete financial statements for OMEGA JV5 may be obtained from AMP.

B. Municipal Energy Services Agency (MESA)

Municipal Energy services Agency ("MESA") was organized by 31 subdivisions of the State of Ohio (the "Participants") on December 31, 1996, pursuant to a Joint Venture Agreement (the "Agreement") under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. As of December 31, 2007, there were 48 Participants in MESA. Its purpose is to provide access to a pool of personnel experienced in planning, engineering, construction, safety training, finance, administration and other aspects of the operations and maintenance of municipal electric and other utility systems. The Participants are members of American Municipal Power-Ohio, Inc. ("AMP-Ohio). MESA also provides personnel and administrative services to AMP-Ohio, the Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6 ("OMEGA JVs"), the Ohio Municipal Electric Association (OMEA") and the Ohio Public Power Educational Institute ("OPPEI"). The Agreement continues until December 31, 2006, and thereafter for successive terms of three years so long as at least two participants have not given notice.

Note 12 – Jointly Governed Organizations

The Village is associated with the Auglaize County Regional Planning Commission, which is a jointly governed organization. The Village is responsible for sending an elected Council member and alternate to sit on the board. The Commission's board consists of representatives from participating political subdivisions, the Auglaize County Commissioners, and appointed citizens. The Commission formulates and reviews plans affecting long and short term social, economic, and governmental development within the region.

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

Note 13 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-four member Board of Trustees, which are voted on by the members for staggered four-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 14 – Transfers

The Village transferred funds from the Water and Sewer Operating funds to the Water Enterprise Improvement, Sewer Enterprise Improvement, Other Enterprise – Water Treatment Plant, and Other Enterprise WWTP Lagoons Repay funds in the amount of \$84,074. The General Fund transferred \$8,000 to both the Debt Service fund and the Street Construction Maintenance and Repair fund.

Note 15 – AMP Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Venture as described in Note 11. The Village is liable for debt related to the financing of the OMEGA joint venture. The activity is accounted for in the Village’s Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. The calculation of Joint Venture 5 (JV5) debt coverage and the financial breakdown of the Electric Fund are presented separately to satisfy debt covenant compliance requirements with AMP Ohio. Summary financial information for the year ended December 31, 2020 for the Electric Fund is presented below:

Calculation of JV5 Debt Coverage

	2020
Operating Income	\$67,329
JV5 Debt Service (included below as cash disbursements to AMP Ohio)	7,533
KWH Tax from General fund	-
Adjusted Operating Income Available for Debt Service	74,862
OMEGA JV5 Debt Services (paid to AMP Ohio)	7,533
Other Electric System Debt Service	-
Total Electric System Debt	\$ 7,533
Coverage (Covenants require 110% coverage of all debt)	994%

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

As of December 31, 2020:	<u>Electric Fund</u>	<u>Other Proprietary Funds</u>	<u>Total Proprietary Funds</u>
Operating Cash Receipts			
Charges for Services	920,853	269,587	1,190,440
Other Operating Receipts	992	0	992
Total Operating Cash Receipts	<u>921,845</u>	<u>269,587</u>	<u>1,191,432</u>
Operating Cash Disbursements			
Personal Services	57,861	103,126	160,987
Fringe Benefits	21,039	23,902	44,941
Contractual Services	737,772	48,573	786,345
Supplies and Materials	37,844	34,044	71,888
Other Operating Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Cash Disbursements	<u>854,516</u>	<u>209,645</u>	<u>1,064,161</u>
Operating Receipts Over (Under) Operating Disbursements	67,329	59,942	127,271
Non-Operating Receipts (Disbursements)			
Other Non-Operating Receipts	3,324	4,673	7,997
Other Non-Operating Disbursements	(3,899)	0	(3,899)
Capital Outlay	(31,279)	(13,600)	(44,879)
Principal Retirement	(15,887)	(26,291)	(42,178)
Interest and Other Fiscal Charges	<u>(168)</u>	<u>(34,594)</u>	<u>(34,762)</u>
Total Non-Operating Receipts (Disbursements)	<u>(47,909)</u>	<u>(69,812)</u>	<u>(117,721)</u>
Change in Net Position	19,420	(9,870)	9,550
Net Position - Cash Basis, January 1	<u>687,537</u>	<u>608,192</u>	<u>1,295,729</u>
Net Position – Cash Basis, December 31	\$706,957	\$598,322	\$1,305,279

As more fully described in the previous paragraphs, the Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's project share was 790 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.10 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed *impaired* and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided

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

the participants with an estimate of their liability. The Village’s estimated share of the impaired costs at March 31, 2014 was \$136,923. The Village received a credit of \$42,984 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$35,728 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU), leaving an estimated net impaired cost balance of \$58,211. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village’s net impaired cost balance. These amounts will be recorded as they become estimable.

The Village made payments in 2020 totaling \$7,359, leaving a net impaired cost estimate of \$50,852 at December 31, 2020.

The Village intends to recover these costs and repay AMP through a power cost adjustment.

Note 16 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$1,776		\$1,776
Outstanding Encumbrances	11,520	41,639	53,159
<i>Total</i>	<u>\$13,296</u>	<u>\$41,639</u>	<u>\$54,935</u>

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

Note 17 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures 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



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

Village of Waynesfield
Auglaize County
300 North Westminster Street
P.O. Box 128
Waynesfield, Ohio 45896

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of Waynesfield, Auglaize County, (the Village) and have issued our report thereon dated February 9, 2023 wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Village's Response to Finding

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

February 9, 2023

VILLAGE OF WAYNESFIELD
AUGLAIZE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020

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

FINDING NUMBER 2021-001

Material Weakness – Financial Reporting Errors

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were identified and adjusted on the Village's financial statements for 2020:

- Total transfers in did not agree to total transfers out due to a transfer made from the general fund to the mayor's court custodial fund in the amount of \$8,000. This transaction was reclassified from transfers out to general government disbursements in the general fund. This transaction was also reclassified from other amounts collected for distribution to other additions in the custodial fund.
- The Village incorrectly classified loan payments in the amount of \$667, resulting in an overstatement of interest and fiscal charges and an understatement of principal retirement in the debt service fund.
- The Village recorded December 2019 enterprise fund receipts during January 2020, resulting in an overstatement in the amount of \$96,339 for charges for services and an understatement of fund cash balances at January 1, 2020 in the same amount in the enterprise funds.
- The Village recorded December 2020 enterprise fund receipts during January 2021, resulting in an understatement of charges for services and an understatement of fund cash balance at December 31, 2020 in the amount of \$100,778 in the enterprise funds.
- The Village did not properly record a \$12 receipt and disbursement in May 2020 for the custodial fund and recorded December 2020 receipts and disbursements in the amount of \$1,020 in January 2021 in the custodial fund, resulting in an understatement of fines, licenses, and permits for distribution in the amount of \$285, an understatement of other amounts collected for distribution in the amount of \$747, and an understatement of distributions to other governments in the amount of \$1,032.

The following errors were identified and adjusted on the Village's financial statements for 2021:

- The Village incorrectly recorded a loan payment in the amount of \$20,951, resulting in an overstatement of capital outlay and an understatement of principal retirement in the amount of \$20,951 in the capital projects fund.
- The Village recorded December 2020 enterprise fund receipts during January 2021, resulting in an overstatement in the amount of \$100,778 for charges for services and an understatement of fund cash balances at January 1, 2021 in the same amount in the enterprise funds.
- The Village did not properly record receipts and disbursements in October 2021 for the custodial fund in the amount of \$20, and recorded December 2020 receipts and disbursements in January 2021 in the amount of \$1,020 in the custodial fund. These errors resulted in an overstatement of fines, licenses, and permits for distribution in the amount of \$253, an overstatement of other amounts collected for distribution in the amount of \$747, and an overstatement of distributions to other governments in the amount of \$1,000.

The above errors occurred when posting transactions to the accounting system. Failure to properly record financial activity could lead to material financial statement errors and users of the financial statements basing their conclusions on incorrect information.

The Village should establish and implement procedures to verify that all financial activity is recorded correctly.

Officials' Response: The following corrective action has taken place: all December monies are now recorded in the correct year and not carried over and receipted in the following year. I also worked with LGS to correct the \$8,000 transfer from the General Fund to Mayors Court and they stated the Village should reach out to the Ohio Department of Taxation and get their permission to transfer the monies back to the General Fund. The Village reached out to the Ohio Department of Taxation and filled out their form requesting to transfer and the Village never received a response back.

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American Municipal Utilities



Your Community Utility Partner

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

Finding Number	Finding Summary	Status	Additional Information
2019-001	Material Weakness – Financial Reporting Errors	Not corrected	Repeated as Finding 2021-001

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WAYNESFIELD

AUGLAIZE 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 3/7/2023

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This report is a matter of public record and is available online at
www.ohioauditor.gov