



Dave Yost • Auditor of State

VILLAGE OF OAKWOOD
PAULDING COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|--|------|
| Independent Auditor's Report | 1 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2012 | 5 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2012 | 6 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2011 | 7 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2011 | 8 |
| Notes to the Financial Statements | 9 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 19 |
| Schedule of Findings | 21 |
| Schedule of Prior Audit Findings | 25 |

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Oakwood
Paulding County
228 North First Street
P.O. Box 457
Oakwood, Ohio 45873-0457

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Oakwood, Paulding County, Ohio (the Village), as of and for the years ended December 31, 2012 and 2011.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our qualified opinion on the regulatory basis of accounting.

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

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2012 and 2011, or changes in financial position or cash flows thereof for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

In prior years findings for adjustments were issued to properly report certain activities and to eliminate improper transfers made by the Village, however, these adjustments were never made by the Village and as a result the December 31, 2011 and 2012 fund balances reported in the accompanying financial statements are understated or (overstated) by the following amounts: General Fund (\$16,665), Special Revenue Funds (\$34,560), Capital Projects Fund (\$3,924) and Enterprise Funds \$55,149.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraph, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Oakwood, Paulding County, Ohio as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during 2011 the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2013, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

Columbus, Ohio

June 14, 2013

This page intentionally left blank.

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Totals (Memorandum Only)</u> |
|---|-----------------|----------------------------|-----------------------------|---|
| Cash Receipts | | | | |
| Property and Other Local Taxes | \$7,179 | \$33,169 | | \$40,348 |
| Municipal Income Tax | 84,978 | | | 84,978 |
| Intergovernmental | 32,629 | 39,889 | \$63,794 | 136,312 |
| Special Assessments | | 19,841 | | 19,841 |
| Charges for Services | | 125,830 | | 125,830 |
| Fines, Licenses and Permits | 2,597 | 220 | | 2,817 |
| Donations | 4,000 | 8,750 | | 12,750 |
| Earnings on Investments | 1,211 | 21 | 21 | 1,253 |
| Miscellaneous | 6,058 | 9,222 | 408 | 15,688 |
| <i>Total Cash Receipts</i> | <u>138,652</u> | <u>236,942</u> | <u>64,223</u> | <u>439,817</u> |
| Cash Disbursements | | | | |
| Current: | | | | |
| Security of Persons and Property | | 165,229 | | 165,229 |
| Transportation | | 19,773 | | 19,773 |
| General Government | 91,170 | 2,419 | | 93,589 |
| Capital Outlay | | 9,898 | 241,143 | 251,041 |
| Debt Service: | | | | |
| Principal Retirement | | 32,630 | 1,673,091 | 1,705,721 |
| Interest and Fiscal Charges | | 14,055 | 63,185 | 77,240 |
| Debt Issuance Cost | | | 35,027 | 35,027 |
| <i>Total Cash Disbursements</i> | <u>91,170</u> | <u>244,004</u> | <u>2,012,446</u> | <u>2,347,620</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>47,482</u> | <u>(7,062)</u> | <u>(1,948,223)</u> | <u>(1,907,803)</u> |
| Other Financing Receipts (Disbursements) | | | | |
| Sale of Notes | | | 1,780,000 | 1,780,000 |
| Other Debt Proceeds | | | 20,426 | 20,426 |
| Discount on Debt | | | (26,700) | (26,700) |
| Transfers In | | 35,000 | 31,039 | 66,039 |
| Transfers Out | (66,039) | | | (66,039) |
| Other Financing Sources | 34,013 | 15,174 | | 49,187 |
| Other Financing Uses | (11,000) | | | (11,000) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(43,026)</u> | <u>50,174</u> | <u>1,804,765</u> | <u>1,811,913</u> |
| <i>Net Change in Fund Cash Balances</i> | 4,456 | 43,112 | (143,458) | (95,890) |
| <i>Fund Cash Balances, January 1</i> | <u>49,343</u> | <u>262,324</u> | <u>235,142</u> | <u>546,809</u> |
| Fund Cash Balances, December 31 | | | | |
| Restricted | | 305,436 | 3,147 | 308,583 |
| Committed | | | 88,537 | 88,537 |
| Assigned | 19,914 | | | 19,914 |
| Unassigned | 33,885 | | | 33,885 |
| <i>Fund Cash Balances, December 31</i> | <u>\$53,799</u> | <u>\$305,436</u> | <u>\$91,684</u> | <u>\$450,919</u> |

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

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

| | <u>Proprietary Fund Type</u> | <u>Fiduciary Fund Type</u> | <u>Totals</u> |
|---|----------------------------------|--------------------------------|------------------------------|
| | <u>Enterprise</u> | <u>Agency</u> | <u>(Memorandum Only)</u> |
| Operating Cash Receipts | | | |
| Charges for Services | \$370,359 | | \$370,359 |
| Fines, Licenses and Permits | 375 | | 375 |
| Miscellaneous | 14,436 | | 14,436 |
| <i>Total Operating Cash Receipts</i> | <u>385,170</u> | | <u>385,170</u> |
| Operating Cash Disbursements | | | |
| Personal Services | 83,406 | | 83,406 |
| Contractual Services | 166,878 | | 166,878 |
| Supplies and Materials | 73,367 | | 73,367 |
| <i>Total Operating Cash Disbursements</i> | <u>323,651</u> | | <u>323,651</u> |
| <i>Operating Income</i> | <u>61,519</u> | | <u>61,519</u> |
| Non-Operating Receipts (Disbursements) | | | |
| Capital Outlay | (1,243) | | (1,243) |
| Principal Retirement | (18,000) | | (18,000) |
| Interest and Other Fiscal Charges | (42,041) | | (42,041) |
| Other Financing Sources | 1,975 | \$4,215 | 6,190 |
| Other Financing Uses | (1,849) | (4,080) | (5,929) |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <u>(61,158)</u> | <u>135</u> | <u>(61,023)</u> |
| <i>Income before Transfers</i> | 361 | 135 | 496 |
| Transfers In | 8,400 | | 8,400 |
| Transfers Out | (8,400) | | (8,400) |
| <i>Net Change in Fund Cash Balances</i> | 361 | 135 | 496 |
| <i>Fund Cash Balances, January 1</i> | <u>157,562</u> | <u>70</u> | <u>157,632</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$157,923</u> | <u>\$205</u> | <u>\$158,128</u> |

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

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Totals (Memorandum Only)</u> |
|---|-----------------|----------------------------|-----------------------------|---|
| Cash Receipts | | | | |
| Property and Other Local Taxes | \$7,463 | \$34,378 | | \$41,841 |
| Municipal Income Tax | 95,132 | | | 95,132 |
| Intergovernmental | 40,352 | 129,038 | \$21,703 | 191,093 |
| Special Assessments | | 19,908 | | 19,908 |
| Charges for Services | | 112,743 | | 112,743 |
| Fines, Licenses and Permits | 2,502 | 210 | | 2,712 |
| Donations | 7,000 | 16,500 | | 23,500 |
| Earnings on Investments | 301 | 43 | 299 | 643 |
| Miscellaneous | 2,807 | 1,022 | | 3,829 |
| <i>Total Cash Receipts</i> | <u>155,557</u> | <u>313,842</u> | <u>22,002</u> | <u>491,401</u> |
| Cash Disbursements | | | | |
| Current: | | | | |
| Security of Persons and Property | | 144,249 | | 144,249 |
| Leisure Time Activities | | 463 | | 463 |
| Transportation | | 22,530 | | 22,530 |
| General Government | 62,559 | 12,442 | | 75,001 |
| Capital Outlay | 6,892 | 27,796 | 1,496,659 | 1,531,347 |
| Debt Service: | | | | |
| Principal Retirement | | 108,133 | 16,831 | 124,964 |
| Interest and Fiscal Charges | | 16,432 | 1,603 | 18,035 |
| Debt Issuance Cost | | | 53,982 | 53,982 |
| <i>Total Cash Disbursements</i> | <u>69,451</u> | <u>332,045</u> | <u>1,569,075</u> | <u>1,970,571</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>86,106</u> | <u>(18,203)</u> | <u>(1,547,073)</u> | <u>(1,479,170)</u> |
| Other Financing Receipts (Disbursements) | | | | |
| Sale of Notes | | | 1,655,000 | 1,655,000 |
| Other Debt Proceeds | | | 22,411 | 22,411 |
| Discount on Debt | | | (24,825) | (24,825) |
| Transfers In | | 25,000 | 34,809 | 59,809 |
| Transfers Out | (59,809) | | | (59,809) |
| Other Financing Sources | 5,616 | 16,667 | | 22,283 |
| Other Financing Uses | (12,000) | (4,667) | (1,530) | (18,197) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(66,193)</u> | <u>37,000</u> | <u>1,685,865</u> | <u>1,656,672</u> |
| <i>Net Change in Fund Cash Balances</i> | 19,913 | 18,797 | 138,792 | 177,502 |
| <i>Fund Cash Balances, January 1</i> | <u>29,430</u> | <u>243,527</u> | <u>96,350</u> | <u>369,307</u> |
| Fund Cash Balances, December 31 | | | | |
| Restricted | | 262,324 | 150,528 | 412,852 |
| Committed | | | 84,614 | 84,614 |
| Unassigned | 49,343 | | | 49,343 |
| <i>Fund Cash Balances, December 31</i> | <u>\$49,343</u> | <u>\$262,324</u> | <u>\$235,142</u> | <u>\$546,809</u> |

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

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

| | <u>Proprietary Fund Type</u> | <u>Fiduciary Fund Type</u> | <u>Totals</u> |
|---|----------------------------------|--------------------------------|------------------------------|
| | <u>Enterprise</u> | <u>Agency</u> | <u>(Memorandum Only)</u> |
| Operating Cash Receipts | | | |
| Charges for Services | \$210,097 | | \$210,097 |
| Fines, Licenses and Permits | 875 | | 875 |
| Miscellaneous | 2,100 | | 2,100 |
| <i>Total Operating Cash Receipts</i> | <u>213,072</u> | | <u>213,072</u> |
| Operating Cash Disbursements | | | |
| Personal Services | 83,989 | | 83,989 |
| Contractual Services | 43,394 | | 43,394 |
| Supplies and Materials | 15,343 | | 15,343 |
| <i>Total Operating Cash Disbursements</i> | <u>142,726</u> | | <u>142,726</u> |
| <i>Operating Income</i> | <u>70,346</u> | | <u>70,346</u> |
| Non-Operating Receipts (Disbursements) | | | |
| Principal Retirement | (18,000) | | (18,000) |
| Interest and Other Fiscal Charges | (42,919) | | (42,919) |
| Other Financing Sources | 2,353 | \$1,518 | 3,871 |
| Other Financing Uses | (1,966) | (2,203) | (4,169) |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <u>(60,532)</u> | <u>(685)</u> | <u>(61,217)</u> |
| <i>Income (Loss) before Transfers</i> | 9,814 | (685) | 9,129 |
| Transfers In | 8,400 | | 8,400 |
| Transfers Out | (8,400) | | (8,400) |
| <i>Net Change in Fund Cash Balances</i> | 9,814 | (685) | 9,129 |
| <i>Fund Cash Balances, January 1</i> | <u>147,748</u> | <u>755</u> | <u>148,503</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$157,562</u> | <u>\$70</u> | <u>\$157,632</u> |

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

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Oakwood, Paulding County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general governmental services including police, EMS Services and fire protection, maintenance of streets, utilities (natural gas, water, and sewer), and park operations (leisure time activities)

The Village participates in the Ohio Government Risk Management Plan, a public entity risk pool. Note 8 to the financial statements provides additional information for this entity.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. 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 Auditor of State prescribes or permits.

C. Deposits and Investments

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

Certificates of deposit are valued at cost. The money market mutual fund is recorded at share values the mutual funds report.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

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

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Police Levy Fund – This fund receives revenue from property taxes to provide police protection to residents of the Village. The Police Levy is not self-supporting and is supplemented by the General Fund.

Fire Levy Fund -This fund receives revenue from property taxes to provide fire protection to residents of the Village. Additional revenues are derived from fire contracts with surrounding Township and Villages to provide fire services to their residents.

Emergency Medical Services (EMS) Levy Fund -This fund receives revenue from property taxes to provide EMS services to residents of the Village. Additional revenues are derived from EMS contracts with surrounding Township and Villages to provide EMS services to their residents and charges for services for EMS runs.

3. 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:

Capital Improvement Fund - This fund receives 40% of the Village income tax revenue. This revenue is used to make permanent improvements to the Village land and property.

Gas Construction Fund - This fund revenue from the issuance of bond anticipation notes. This revenue is used to construct and finance the Village's natural gas utility.

4. 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 - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs and to retire a Rural Economic and Community Development Services (RECDS) loan.

Natural Gas Fund - This fund receives charges for services from residents to cover natural gas service costs and to secure debt incurred for construction of the utility.

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

5. Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency 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. The Village had the following significant Agency Fund:

Mayor's Court Fund – This fund receives fines, bonds and costs assessed by the Court and disburses these amounts to the State, County, Village or the payee.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2012 and 2011 budgetary activity appears in Note 3.

F. Fund Balance

In 2011 the Village adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which had no effect on fund balances. 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:

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

1. Nonspendable

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

2. 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.

3. 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.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the General Fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. 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.

G. Property, Plant, and Equipment

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

H. 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 OAKWOOD
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

2. Equity in Pooled Deposits and Investments

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

| | 2012 | 2011 |
|--------------------------------|-----------|-----------|
| Demand deposits | \$478,222 | \$466,234 |
| Certificates of deposit | 128,000 | 88,000 |
| Total deposits | 606,222 | 554,234 |
| Money market mutual fund | 2,825 | 150,207 |
| Total deposits and investments | \$609,047 | \$704,441 |

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: Investments in mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. Budgetary Activity

Budgetary activity for the years ending 2012 and 2011 follows:

| 2012 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$136,690 | \$172,665 | \$35,975 |
| Special Revenue | 286,780 | 287,116 | 336 |
| Capital Projects | 122,220 | 1,895,688 | 1,773,468 |
| Enterprise | 396,725 | 395,545 | (1,180) |
| Total | \$942,415 | \$2,751,014 | \$1,808,599 |

| 2012 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$146,245 | \$168,209 | (\$21,964) |
| Special Revenue | 279,505 | 244,004 | 35,501 |
| Capital Projects | 2,049,154 | 2,039,146 | 10,008 |
| Enterprise | 398,360 | 395,184 | 3,176 |
| Total | \$2,873,264 | \$2,846,543 | \$26,721 |

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

3. Budgetary Activity (Continued)

| 2011 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$121,659 | \$161,173 | \$39,514 |
| Special Revenue | 363,259 | 355,509 | (7,750) |
| Capital Projects | 1,683,190 | 1,734,222 | 51,032 |
| Enterprise | 235,624 | 223,825 | (11,799) |
| Total | \$2,403,732 | \$2,474,729 | \$70,997 |

| 2011 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$107,515 | \$141,260 | (\$33,745) |
| Special Revenue | 374,864 | 336,712 | 38,152 |
| Capital Projects | 1,676,290 | 1,595,430 | 80,860 |
| Enterprise | 215,076 | 214,011 | 1,065 |
| Total | \$2,373,745 | \$2,287,413 | \$86,332 |

Contrary to Ohio law, expenditures in General Fund exceeded appropriations by above noted amounts.

4. Property Tax

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

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. Local Income Tax

The Village levies a municipal income tax of one 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 through the City of Cleveland Central Collection Agency (CCA) either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

5. Local Income Tax (Continued)

The fund collected are to be deposited in the General Fund and disbursed annually after necessary costs of collecting, administering and enforcing the provisions of the tax, forty percent to the Capital Improvements fund and sixty percent to the General Fund. Presently, these monies are allocated to the funds when received, contrary to Village of Oakwood, Ordinance No. 96-22.

6. Debt

Debt outstanding at December 31, 2012 was as follows:

| | <u>Principal</u> | <u>Interest Rate</u> |
|---|--------------------|----------------------|
| Rural Economic and Community Development Service Loan | \$844,385 | 4.88% |
| OWDA Loan | 23,588 | 5.77% |
| OPWC Loans | 179,379 | 0% |
| Fire Station Construction Loan | 357,885 | 4.72% |
| Bond Anticipation Notes | 1,780,000 | 3.75% |
| Total | <u>\$3,185,237</u> | |

Proceeds from the Rural Economic and Community Development Services (RECDs) loan were used to retire Sanitary Sewer System First Mortgage Temporary Revenue Bonds which had been issued previously to pay a portion of the costs of constructing a sanitary sewage collection, treatment, and disposal system. The Village will make annual payments to RECDs through the year 2036.

The Ohio Water Development Authority (OWDA) loan relates to a water plant filtration project that was mandated by the Ohio Environmental Protection Agency. The loan will be repaid in semiannual installments of \$1,960 including interest, with the loan maturing on July 1, 2020. The loan is collateralized by water receipts. Contrary to the debt agreement with OWDA, operating receipts in 2012 and 2011 were not adequate to provide for payments required to remit the debt obligations.

The Village has the following six outstanding loans with the Ohio Public Works Commission:

The first Ohio Public Works Commission (OPWC) loan relates to a water plant filtration project that was mandated by the Ohio Environmental Protection Agency. The loan will be repaid in semiannual installments of \$3,851, with the loan maturing on July 1, 2020. The loan is collateralized by water and sewer receipts.

The second loan relates to a water plant chlorination project that was mandated by the Ohio Environmental Protection Agency. The loan will be repaid in semiannual installments of \$1,696, with the loan maturing on January 1, 2017. The loan is collateralized by water and sewer receipts.

The third loan relates to a water plant aerator replacement project. The loan will be repaid in semiannual installments of \$414, with the loan maturing on July 1, 2030. The loan is collateralized by water and sewer receipts.

The fourth loan relates to a Village street improvement project on Superior Street. The loan will be repaid in semiannual installments of \$1,296, with the loan maturing on January 1, 2030. The loan is collateralized by local tax receipts.

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

6. Debt (Continued)

The fifth loan relates to Village street improvement projects on Second and Estel Streets. The loan will be repaid in semiannual installments of \$562, with the loan maturing on July 1, 2031. The loan is collateralized by local tax receipts.

The sixth loan relates to a Village storm sewer improvement project on First Street. The loan will be repaid in semiannual installments of \$522, with the loan maturing on July 1, 2032. The loan is collateralized by local tax receipts.

The fire station construction loan, obtained from the State Bank and Trust Company, related to construction of a fire station within the Village corporation limits. The loan will be paid in 240 monthly-principal payments with the first principal payment due on May 5, 2007. On April 5, 2017, the interest rate shall be at a rate per annum equal to the rate of the 10-year United States Treasury bonds on April 5, 2017. The full amount of the loan was \$600,000. The Village made a \$100,000 principal payment on March 4, 2008. The loan is collateralized by assignment of fire and EMS contracts.

During 2011, the Village issued \$1,655,000 of unvoted Gas System Revenue Bond Anticipation Notes, Series 2011 to finance the construction of a natural gas utility. These notes became due in April 2012 and were refinanced by the issuance of \$1,780,000 of unvoted Gas System Revenue Bond Anticipation Notes, Series 2012. These notes are due in April 2013.

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

| Year ending December 31: | <u>RECDS Loan</u> | <u>OWDA Loan</u> | <u>OPWC Loans</u> | <u>Fire Station Construction Loan</u> | <u>Revenue Bond Anticipation Note</u> |
|-----------------------------|--------------------|------------------|-------------------|---|---|
| 2013 | \$60,166 | \$3,919 | \$16,683 | \$46,685 | \$1,846,750 |
| 2014 | 60,240 | 3,919 | 16,683 | 46,685 | |
| 2015 | 60,265 | 3,919 | 16,683 | 46,685 | |
| 2016 | 60,241 | 3,919 | 16,683 | 46,685 | |
| 2017 | 60,169 | 3,919 | 14,987 | 46,685 | |
| 2018-2022 | 303,561 | 9,798 | 51,045 | 211,703 | |
| 2023-2027 | 304,048 | | 27,937 | | |
| 2028-2032 | 305,442 | | 18,678 | | |
| 2033-2037 | 234,770 | | | | |
| Total | <u>\$1,448,902</u> | <u>\$29,393</u> | <u>\$179,379</u> | <u>\$445,128</u> | <u>\$1,846,750</u> |

7. Retirement Systems

The Village's full-time Police Officers belong to the 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 plans' benefits, which include postretirement healthcare and survivor and disability benefits.

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

7. Retirement Systems (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2012 and 2011, OP&F participants contributed 10% of their wages. For 2012 and 2011, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2012 and 2011, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2012.

8. Risk Management

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (41.5% effective November 1, 2011, 40% through October 31, 2011 and 17.5% through October 31, 2010) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 782 and 761 members as of December 31, 2011 and 2010 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2011 and 2010 (the latest information available).

| | 2011 | 2010 |
|-----------------|--------------|--------------|
| Assets | \$12,501,280 | \$12,036,541 |
| Liabilities | (5,328,761) | (4,845,056) |
| Members' Equity | \$7,172,519 | \$7,191,485 |

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

This page intentionally left blank.



Dave Yost • Auditor of State

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

Village of Oakwood
Paulding County
228 North First Street
P.O. Box 457
Oakwood, Ohio 45873-0457

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Oakwood, Paulding County, Ohio (the Village), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, and have issued our report thereon dated June 14, 2013 wherein we noted the Village followed accounting and financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit, described in Note 1, and the Village adopted Governmental Accounting Standards Board Statement No. 54 in 2011. We also noted the fund balances reported in the financial statements are not accurate due to the Village not recording prior audit adjustments.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. We consider findings 2012-001 through 2012-004 described in the accompanying schedule of findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2012-003 and 2012-005.

Entity's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

June 14, 2013

**VILLAGE OF OAKWOOD
PAULDING COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2012 AND 2011**

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

FINDING NUMBER 2012-001

Material Weakness – Prior Years’ Findings for Adjustments

In prior years findings for adjustments were proposed to correctly classify certain activities and eliminate improper transfers made by the Village, that were not allowable per **Ohio Revised Code §§ 5705.14, .15 and .16**. However, the Village never recorded these adjustments and as a result the fund balances as reported by the Village at December 31, 2010 were misstated by the following amounts:

| Fund | Fund Balance Understated/ (Overstated) |
|---|--|
| General Fund | \$ (16,665) |
| Special Revenue Funds: | |
| Street Construction Maintenance and Repair Fund | 3,051 |
| State Highway Fund | 4,611 |
| Park and Recreation Fund | (506) |
| Police Levy Fund | 13,000 |
| Fire Levy Fund | (50,782) |
| EMS Levy Fund | (13,878) |
| Street Lighting Fund | 10,013 |
| Enforcement and Education Fund | (34) |
| Indigent Driver Fund | (33) |
| Mayor Court Computer Fund | (2) |
| Total Special Revenue Funds | (34,560) |
| Capital Projects Fund: | |
| Capital Improvement Fund | (3,924) |
| Enterprise Funds: | |
| Water Fund | (1,757) |
| Water Deposit Fund | (52) |
| Sewer Fund | 49,516 |
| Sewer Reserve Fund | 4,761 |
| Sewer Bond Retirement Fund | 2,681 |
| Total Enterprise Funds | 55,149 |

We recommend the Village record the adjustment to the Village’s accounting records for the differences in fund balance listed above.

Officials’ Response:

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

FINDING NUMBER 2012-002

Material Weakness – Financial Reporting

The Village issued \$1,655,000 of bond anticipation notes in 2011 to be used to finance the construction of the natural gas utility infrastructure. The proceeds from the notes were posted at the net amount received; with the issuance costs of \$53,982 and a discount of \$24,825 not being recorded in the Village's books. In 2012, these notes were refinanced with the issuance of \$1,780,000 in new notes; however, none of this refinancing activity (redemption of principal, \$1,655,000, interest charges, \$61,718, discount on debt issuance, \$26,700 and issuance costs \$35,027) was recorded in the Village's books. We also noted variances related to the proper fiscal year in which the related construction expenditures of \$23,971 were made. The financial statements were adjusted to reflect the financing and construction activity.

Sound financial reporting is the responsibility of the fiscal officer and the governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. To ensure the Village's financial statements and notes to the statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and the Audit Committee, to identify and correct errors and omissions. In addition, the Fiscal Officer should also review the Auditor of State's Village handbook which contains a chart of accounts. This may help to ensure all accounts are being properly posted to the financial statements.

Officials' Response:

Fiscal Officer has reviewed the proper recording of the debt rollover and has made changes to properly record this activity in 2013.

FINDING NUMBER 2012-003

Material Weakness - Noncompliance Citation

Village of Oakwood, Ordinance No. 96-22, dated November 25, 1996, levied a municipal income tax for the Village. Section 13: Allocation of funds, states fund collected under this ordinance shall be deposited in the General Fund Income Tax Account. The funds shall be disbursed in the order annually, after the necessary costs of collecting the tax, administering and enforcing the provisions, sixty percent for the General Fund and forty percent for the Capital Improvements Fund.

Contrary to this ordinance, income tax collections were credited to General Fund and Capital Improvements Fund as received. All income tax collections (\$84,978 in 2012 and \$95,132 in 2011) should have been initially recorded in the General Fund. After costs were charged, forty percent of remaining amounts should have been transferred to the Capital Improvements Fund on annual basis (\$31,039 in 2012 and \$34,809 in 2011).

Adjustments were made in 2012 and 2011 to include all income tax collections in General Fund and record a transfer of forty percent of these amounts to the Capital Improvements Fund. As a result of these adjustments, expenditures in the General Fund exceeded appropriations by \$21,964 in 2012 and \$33,745 in 2011, contrary to Ohio Revised Code §5705.41(B).

We recommend Village Officials review this ordinance to ensure compliance with all significant provisions.

Officials' Response:

Fiscal Officer has implemented the necessary changes to properly record income tax receipts received from the Central Collection Agency.

FINDING NUMBER 2012-004

Material Weakness – Fund Balance Classification

Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, introduces five fund balance classifications and clarifies the existing governmental fund type definitions. The fund balance classifications relate to constraints placed upon the use of resources reported in governmental funds. The five classifications are nonspendable, restricted, committed, assigned and unassigned.

The assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. When the appropriation measure is adopted for the subsequent year, if a portion of existing fund balance is included as a budgetary resource, then that portion of fund balance should be classified as assigned. This would be applicable to the general fund as it is the only fund with a positive unassigned fund balance.

The 2013 annual appropriation measure for the General fund was adopted on December 18, 2012 in the amount of \$116,460. Estimated receipts were \$96,546. A portion of the general fund balance, \$19,914 was needed to cover the difference. This amount should have been recognized as assigned for subsequent year's appropriations instead of being classified as unassigned.

An adjustment was recorded to the 2012 financial statements to classify the amount as assigned.

The Village also reported the fund balance of its Capital Improvements Fund as "restricted" instead of "committed." "Committed" fund balances are established for specific purposes pursuant to constraints imposed by formal action of Village Council. Council approved by ordinance to transfer annually forty percent of its income tax collections from the General fund to the Capital Improvements fund for capital improvements. This action commits the use of the fund balance.

The fund balance of the Capital Improvements fund of \$88,537 and \$84,614 at December 31, 2012 and 2011, respectively, was adjusted from "Restricted" to "Committed" in the Village's financial statements.

In order to ensure the Village's governmental fund balances are reported in accordance with GASB 54, we recommend the Village review Auditor of State Bulletin 2011-004.

Officials' Response:

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

FINDING NUMBER 2012-005

Noncompliance Citation

Ohio Water Development Authority (OWDA) Cooperative Agreement for Construction, Maintenance and Operation of State Water Project §4.3(a) provides the Village will prescribe and charge such rates for the services of the water system which shall result in pledged revenues at least adequate to provide for payments required to remit its debt obligation payments to OWDA.

Operating deficits of \$6,976 and \$4,103 generated in 2012 and 2011, respectively, from water charges were not adequate to provide for payments required to remit the Village's debt obligations of \$3,919 for 2012 and 2011 to the OWDA. As a result, the Village used a portion of its income tax revenues, from the Capital Improvement fund, to make its debt obligations.

**FINDING NUMBER 2012-005
(Continued)**

We recommend the Village Council review the Village's water operations in order to determine if additional rate increases are needed to generate an adequate amount of revenues to provide for payments to meet its debt obligation to OWDA.

Officials' Response:

Village Council and the Mayor are currently in the process of reviewing water and sewer utility rates to determine sufficient rate increases to cover the rising operational costs.

**VILLAGE OF OAKWOOD
PAULDING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012 AND 2011**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|--|------------------|--|
| 2010-001 | Finding for Adjustment regarding failure to post prior year audit adjustments. | No | Not corrected and reissued as Finding 2012-001 in this report. |
| 2010-002 | Finding for Recovery issued against council member for \$350 overpayment of compensation. | Yes | |
| 2010-003 | Ohio Revised Code § 5705.10 for revenues recorded to incorrect funds. | No | Partially corrected and reissued in the management letter. |
| 2010-004 | Ohio Revised Code § 5705.41(B) for expenditures exceeding appropriations in certain funds. | Yes | |
| 2010-005 | Material recommendation to improve reporting of amounts in financial statements and notes to the financial statements. | No | Not corrected and reissued as Finding 2012-002 in this report. |
| 2010-006 | Ohio Revised Code § 5705.41(D) for improper certification of expenditures by Fiscal Officer. | Yes | |

This page intentionally left blank.



Dave Yost • Auditor of State

VILLAGE OF OAKWOOD

PAULDING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 9, 2013**