



***VILLAGE OF CEDARVILLE
GREENE COUNTY***

Regular Audit

**For the Years Ended
December 31, 2016 and 2015**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Dave Yost • Auditor of State

Village Council
Village of Cedarville
PO Box 51
Cedarville, Ohio 45314

We have reviewed the *Independent Auditor's Report* of the Village of Cedarville, Greene County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2015 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Cedarville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 24, 2017

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VILLAGE OF CEDARVILLE, GREENE COUNTY

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Independent Auditor's Report

Village of Cedarville
Greene County
P.O. Box 51
Cedarville, OH 45314

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Cedarville, Greene County, Ohio (the Village) as of and for the years ended December 31, 2016 and 2015.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit; this responsibility includes designing, implementing, and maintaining internal control relevant to the 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 statements misstatement, whether due to fraud or error. In assessing those risks, we consider internal controls 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 support our audit opinion.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2016 and 2015, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Cedarville, Greene County as of December 31, 2016 and 2015, 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 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2017 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.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

June 20, 2017

VILLAGE OF CEDARVILLE, GREENE COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2016

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>
<u>Cash Receipts:</u>			
Property and Other Local Taxes	\$61,312	\$0	\$61,312
Municipal Income Tax	700,575	0	700,575
Intergovernmental	57,106	59,667	116,773
Charges for Service	2,908	0	2,908
Fines, Licenses, and Permits	12,518	0	12,518
Earnings on Investments	45	11	56
Miscellaneous	31,102	248	31,350
Total Cash Receipts	865,566	59,926	925,492
<u>Cash Disbursements:</u>			
<i>Current:</i>			
General Government	306,277	0	306,277
Security of Persons and Property	366,873	0	366,873
Public Health Services	1,891	0	1,891
Leisure Time Activities	10,604	0	10,604
Community Environment	8,780	0	8,780
Transportation	17,866	71,391	89,257
Capital Outlay	6,011	0	6,011
Total Cash Disbursements	718,302	71,391	789,693
Cash Receipts Over (Under) Cash Disbursements	147,264	(11,465)	135,799
<u>Other Financing Sources:</u>			
Advance In	16,226	0	16,226
Advance Out	(16,226)	0	(16,226)
Transfers In	350,120	8,800	358,920
Transfers Out	(358,920)	0	(358,920)
Total Other Financing Sources	(8,800)	8,800	0
Excess of Cash Receipts and Other Financing Sources Over(Under) Cash Disbursements	138,464	(2,665)	135,799
Fund Cash Balances, January 1	151,573	109,773	261,346
Restricted	0	107,108	107,108
Committed	104,263	0	104,263
Assigned	159,371	0	159,371
Unassigned	26,403	0	26,403
Fund Cash Balances, December 31	\$290,037	\$107,108	\$397,145

VILLAGE OF CEDARVILLE, GREENE COUNTY
Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Proprietary Fund Types
For the Year Ended December 31, 2016

	Enterprise
<u>Operating Cash Receipts:</u>	
Charges for Services	\$131,277
Miscellaneous	1
Total Operating Cash Receipts	131,278
<u>Operating Cash Disbursements:</u>	
Personal Services	23,959
Employee Fringe Benefits	3,165
Contractual Services	98,233
Supplies and Materials	6,115
Total Operating Cash Disbursements	131,472
Operating Income	(194)
Fund Cash Balances, January 1	45,334
<i>Fund Cash Balances, December 31</i>	\$45,140

See accompanying notes to the financial statements.

VILLAGE OF CEDARVILLE, GREENE COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2015

	Governmental Fund Types		
	General	Special Revenue	Totals
<u>Cash Receipts:</u>			
Property and Other Local Taxes	\$54,124	\$0	\$54,124
Municipal Income Tax	571,653	0	571,653
Intergovernmental	59,205	63,280	122,485
Charges for Service	12,601	0	12,601
Fines, Licenses, and Permits	12,607	0	12,607
Earnings on Investments	33	8	41
Miscellaneous	44,470	1,158	45,628
Total Cash Receipts	754,693	64,446	819,139
<u>Cash Disbursements:</u>			
<i>Current:</i>			
General Government	313,284	0	313,284
Security of Persons and Property	406,603	0	406,603
Public Health Services	2,086	0	2,086
Leisure Time Activities	21,061	0	21,061
Community Environment	7,286	0	7,286
Transportation	0	63,265	63,265
Capital Outlay	55,668	0	55,668
Total Cash Disbursements	805,988	63,265	869,253
Cash Receipts Over (Under) Cash Disbursements	(51,295)	1,181	(50,114)
<u>Other Financing Sources:</u>			
Advance In	8,400	0	8,400
Transfers In	345,500	6,150	351,650
Advance Out	(8,400)	0	(8,400)
Transfers Out	(351,650)	0	(351,650)
Total Other Financing Sources	(6,150)	6,150	0
Excess of Cash Receipts and Other Financing Sources Over(Under) Cash Disbursements	(57,445)	7,331	(50,114)
Fund Cash Balances, January 1	209,018	102,442	311,460
Restricted	0	109,773	109,773
Committed	104,763	0	104,763
Assigned	17,537	0	17,537
Unassigned	29,273	0	29,273
Fund Cash Balances, December 31	\$151,573	\$109,773	\$261,346

See accompanying notes to the financial statements.

VILLAGE OF CEDARVILLE, GREENE COUNTY
Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Proprietary Fund Types
For the Year Ended December 31, 2015

	Enterprise
<u>Operating Cash Receipts:</u>	
Charges for Services	\$132,861
Total Operating Cash Receipts	132,861
<u>Operating Cash Disbursements:</u>	
Personal Services	23,563
Employee Fringe Benefits	3,159
Contractual Services	103,837
Supplies and Materials	4,434
Total Operating Cash Disbursements	134,993
Operating Income (Loss)	(2,132)
Fund Cash Balances, January 1	47,466
<i>Fund Cash Balances, December 31</i>	\$45,334

See accompanying notes to the financial statements.

VILLAGE OF CEDARVILLE, GREENE COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 1 – Reporting Entity

The Village of Cedarville, Greene County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly elected six-member Council and a publicly elected Mayor.

The Village provides general government services, maintenance of Village roads, park maintenance and police protection. The Village contracts with Rumpke to provide refuse service.

The Village participates in Public Entities Pool of Ohio (PEP), a public entity risk-sharing pool. Note 8 to the financial statements provide additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

A. Basis of Accounting

The Village's financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. This method differs from generally accepted accounting principles because receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved). The statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

B. 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:

General Fund: The General Fund is the general operating fund. It is used to account for all financial resources, except those required by law or contracted to be restricted.

Special Revenue Funds: These funds are used to account for proceeds from specific sources (other than trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair (SCMR) Fund – This fund receives gasoline tax and motor vehicle license tax for constructing, maintaining and repairing Village streets.

State Highway Fund – This fund receives gasoline tax and motor vehicle license tax for constructing, maintaining and repairing state highways within the Village.

VILLAGE OF CEDARVILLE, GREENE COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 2 – Summary of Significant Accounting Policies (continued)

Enterprise Funds: These funds are used to account for any activities for which a fee is charged to external users for goods or services. The Village has the following significant Enterprise Fund:

Refuse Fund - This fund receives charges for services from residents to cover refuse collection costs.

C. Budgetary Process

The Ohio Revised Code requires that each Village fund be budgeted annually.

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

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 certify estimated resources.

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

A summary of 2016 and 2015 budgetary activity appears in Note 4.

D. 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:

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

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

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

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

VILLAGE OF CEDARVILLE, GREENE COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 2 – Summary of Significant Accounting Policies (continued)

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.

E. Property, Plant and Equipment

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

F. Accumulated Leave

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

Note 3 – Cash and Investments

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Village had no investments at year end. The carrying amount of cash at year end was as follows:

	December 31, 2016	December 31, 2015
Demand Deposits	\$357,246	\$221,650
Money Market Account Deposit	85,039	85,030
Total	<u>\$442,285</u>	<u>\$306,680</u>

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

VILLAGE OF CEDARVILLE, GREENE COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 4 – Budgetary Basis of Accounting

The Village’s budgetary activity for the years ending December 31, 2016 and December 31, 2015 was as follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$1,239,942	\$1,231,912	(\$8,030)
Special Revenue	68,748	68,726	(22)
Enterprise	132,800	131,278	(1,522)
<i>Total</i>	\$1,441,490	\$1,431,916	(\$9,574)

2016 Budgeted vs. Actual Budgetary Disbursements			
Fund Type	Disbursements		Variance
	Appropriation Authority	Budgetary Disbursements	
General	\$1,349,903	\$1,156,587	\$193,316
Special Revenue	173,990	79,647	94,343
Enterprise	164,413	145,164	19,249
<i>Total</i>	\$1,688,306	\$1,381,398	\$306,908

2015 Budgeted vs. Actual Receipts			
Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$1,129,531	\$1,108,593	(\$20,938)
Special Revenue	69,838	70,596	758
Enterprise	115,434	132,861	17,427
<i>Total</i>	\$1,314,803	\$1,312,050	(\$2,753)

2015 Budgeted vs. Actual Budgetary Disbursements			
Fund Type	Disbursements		Variance
	Appropriation Authority	Budgetary Disbursements	
General	\$1,338,549	\$1,197,050	\$141,499
Special Revenue	172,280	67,797	104,483
Enterprise	162,900	148,714	14,186
<i>Total</i>	\$1,673,729	\$1,413,561	\$260,168

VILLAGE OF CEDARVILLE, GREENE COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 5- 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 area 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. 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.

Note 6- 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 either monthly or quarterly and file a declaration annually. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 7 – Retirement Systems

The Village's certified 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.

The Ohio Revised Code also prescribes contribution rates. For 2016 and 2015 OP&F participants contributed 11.5 and 10.75, respectively, of their wages and both years the Village contributed an amount equal to 19.5% of full-time police members' wages. For 2016 and 2015, the OPERS member contributed 10% of gross salary and the Village contributed an amount equaling 14% of the participant's gross salary. The Village has paid all contributions required through December 31, 2016.

Note 8 – Risk Management

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

Then Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

VILLAGE OF CEDARVILLE, GREENE COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 8 – Risk Management - (Continued)

Financial Position

PEP’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016 and 2015 (the latest information available):

Combined Coverage	2016	2015
Assets	\$42,182,281	\$38,307,677
Liabilities	(13,396,700)	(12,759,127)
Retained Earnings	\$28,785,581	\$25,548,550

The Casualty Coverage assets and retained earnings above include approximately \$11.5 million of unpaid claims to be billed to approximately 520 member governments in the future, as of December 31, 2016. PEP will collect these amounts in future annual contributions billings when PEP'S related liabilities are due for payment.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool’s primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York Risk Pooling Services, Inc. (YORK). APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2016 the Pool retained \$350,000 for casualty claims and \$100,000 for property claims). The Board of Directors and YORK periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

Note 9 – Fund Cash Balances

As of December 31, 2016, fund balances are composed of the following:

	General	Special Revenue	Total
<i>Restricted:</i>			
Road Maintenance & Improvement	\$0	\$107,108	\$107,108
<i>Committed:</i>			
Capital Improvements	104,263	0	104,263
<i>Assigned:</i>			
Future Appropriations	159,371	0	159,371
<i>Unassigned</i>	26,403	0	26,403
	\$290,037	\$107,108	\$397,145

VILLAGE OF CEDARVILLE, GREENE COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Note 9 – Fund Cash Balances- (Continued)

As of December 31, 2015, fund balances are composed of the following:

	General	Special Revenue	Total
<i>Restricted:</i>			
Road Maintenance & Improvement	\$0	\$109,773	\$109,773
<i>Committed:</i>			
Capital Improvements	104,763	0	104,763
<i>Assigned:</i>			
Future Appropriations	17,537	0	17,537
<i>Unassigned</i>	29,273	0	29,273
	\$151,573	\$109,773	\$261,346

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards***

Village Council
Village of Cedarville, Greene County
P.O. Box 51
Cedarville, OH 45314

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 Cedarville, Greene County, Ohio (the Village), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated June 20, 2017, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material misstatement, 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings, we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

Village Council
Village of Cedarville, Greene County
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards*

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 grants, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Findings

The Village's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

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.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

June 20, 2017

VILLAGE OF CEDARVILLE, GREENE COUNTY
Schedule of Findings
For the Years Ended December 31, 2016 and 2015

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

Finding Number 2016-001

Financial Record Keeping - Material Weakness

Ohio Rev. Code Section 733.28, provides, in part, that the Village Fiscal Officer shall keep the books of the Village and exhibit accurate statements of all monies received and expended.

The Village did not properly post the following transactions to the proper account codes, and therefore reported materially incorrect account classifications in the Village's annual financial report:

Item	Amount	Fund Type	Proper Classification	Reported As
2016				
Expenses	\$322,503	General	General Government	Basic Utility Services
Advances	8,446	General	Advance In	Transfer In
Transfers	1,020	General	Transfer In	Advance In
Fund Balance	109,361	General	Assigned	Unassigned
2015				
Amount Received from Another Government	8,513	General	Intergovernmental Revenue	Property Tax Revenue and Other Revenue
Fund Balance	15,524	General	Assigned	Unassigned

The Village corrected the accompanying financial statements.

Failure to properly post transactions resulted in transactions being inaccurately classified in the annual report and inaccurate fund balances. The Fiscal Officer agreed to reclassifications to correctly report the above items, and the reclassifications were posted to the accompanying financial statements. The Fiscal Officer should review the chart of accounts in the Ohio Village Handbook to assure that items are being posted to the proper funds and account codes.

Officials' Response

The Village has reviewed the finding and agrees to work at correcting.

VILLAGE OF CEDARVILLE, GREENE COUNTY
Schedule of Prior Audit Findings
For the Years Ended December 31, 2016 and 2015

Finding Number	Description	Status	Comments
	<i>Government Auditing Standards:</i>		
2014-001	Certification of Expenditures – failure to properly certify the availability of funds.	Corrected	N/A
2014-002	Financial Record Keeping - audit adjustments were made to correct the Financial Statements.	Not Corrected	Reissued as Finding 2016-001

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Dave Yost • Auditor of State

VILLAGE OF CEDARVILLE

GREENE 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
SEPTEMBER 7, 2017