

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

***BASIC FINANCIAL STATEMENTS
(AUDITED)***

**FOR THE YEARS ENDED DECEMBER
31, 2016 AND 2015**

MIKE MURRAY, CLERK/TREASURER



Dave Yost • Auditor of State

Village Council
Village of Williamsburg
107 W Main St
Williamsburg, OH 45176

We have reviewed the *Independent Auditor's Report* of the Village of Williamsburg, Clermont County, prepared by Lindholm + Company, 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 Williamsburg is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

June 28, 2017

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VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY

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Independent Auditor's Report

Village of Williamsburg
Clermont County
107 West Main Street
Williamsburg, Ohio 45176

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Village of Williamsburg, Clermont 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(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the Village of Williamsburg on the basis of accounting practices prescribed or permitted by Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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.

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 each fund 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 Williamsburg, Clermont County as of December 31, 2016 and 2015, and their respective cash receipts and disbursements for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) as described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2017 on our consideration of the Village of Williamsburg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 of Williamsburg's internal control over financial reporting and compliance.

LINDHOLM + COMPANY

Lindholm + Company
Worthington, Ohio

June 11, 2017

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 123,122	\$ 41,721	\$ -	\$ 164,843
Municipal Income Tax	546,352	-	-	546,352
Intergovernmental	38,340	84,381	-	122,721
Charges for Services	27,787	-	-	27,787
Fines, Licenses and Permits	44,768	4,051	-	48,819
Earnings on Investments	4,511	130	-	4,641
Miscellaneous	5,389	1,246	3,395	10,030
<i>Total Cash Receipts</i>	<u>790,269</u>	<u>131,529</u>	<u>3,395</u>	<u>925,193</u>
Cash Disbursements				
Current:				
Security of Persons and Property	395,440	978	-	396,418
Public Health Services	5,956	-	-	5,956
Community Environment	51,174	-	-	51,174
Transportation	-	134,017	-	134,017
General Government	151,694	-	-	151,694
Capital Outlay	-	236	320,693	320,929
<i>Total Cash Disbursements</i>	<u>604,264</u>	<u>135,231</u>	<u>320,693</u>	<u>1,060,188</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>186,005</u>	<u>(3,702)</u>	<u>(317,298)</u>	<u>(134,995)</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	20,000	500,000	520,000
Transfers Out	(120,000)	-	-	(120,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(120,000)</u>	<u>20,000</u>	<u>500,000</u>	<u>400,000</u>
<i>Net Change in Fund Cash Balances</i>	66,005	16,298	182,702	265,005
<i>Fund Cash Balances, January 1</i>	<u>667,492</u>	<u>87,375</u>	<u>497,875</u>	<u>1,252,742</u>
Fund Cash Balances, December 31				
Nonspendable	-	-	-	-
Restricted	-	103,673	680,577	784,250
Committed	-	-	-	-
Assigned	10,882	-	-	10,882
Unassigned (Deficit)	722,615	-	-	722,615
<i>Fund Cash Balances, December 31</i>	<u>\$ 733,497</u>	<u>\$ 103,673</u>	<u>\$ 680,577</u>	<u>\$ 1,517,747</u>

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

**VILLAGE OF WILLIAMSBURG
CLERMONT 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, 2016**

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 1,280,037	\$ -	\$ 1,280,037
Fines, Licenses and Permits	5,258	-	5,258
<i>Total Operating Cash Receipts</i>	<u>1,285,295</u>	<u>-</u>	<u>1,285,295</u>
Operating Cash Disbursements			
Personal Services	215,644	-	215,644
Fringe Benefits	87,517	-	87,517
Contractual Services	600,181	-	600,181
Supplies and Materials	106,975	-	106,975
<i>Total Operating Cash Disbursements</i>	<u>1,010,317</u>	<u>-</u>	<u>1,010,317</u>
<i>Operating Income (Loss)</i>	<u>274,978</u>	<u>-</u>	<u>274,978</u>
Non-Operating Receipts (Disbursements)			
Miscellaneous Receipts	2,364	-	2,364
Capital Outlay	(102,030)	-	(102,030)
Principal Retirement	(25,812)	-	(25,812)
Interest and Other Fiscal Charges	(19,605)	-	(19,605)
Other Financing Sources	168,335	38,519	206,854
Other Financing Uses	(93,959)	(38,519)	(132,478)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(70,707)</u>	<u>-</u>	<u>(70,707)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	204,271	-	204,271
Transfers In	-	-	-
Transfers Out	(400,000)	-	(400,000)
<i>Net Change in Fund Cash Balances</i>	(195,729)	-	(195,729)
<i>Fund Cash Balances, January 1</i>	<u>2,297,807</u>	<u>4,850</u>	<u>2,302,598</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,102,078</u>	<u>\$ 4,850</u>	<u>\$ 2,106,869</u>

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

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 120,546	\$ 45,248	\$ -	\$ 165,794
Municipal Income Tax	553,491	-	-	553,491
Intergovernmental	41,796	87,424	-	129,220
Charges for Services	76,548	-	-	78,723
Fines, Licenses and Permits	38,771	3,437	-	42,208
Earnings on Investments	2,051	1,963	-	4,014
Miscellaneous	5,049	1,336	11,447	19,318
<i>Total Cash Receipts</i>	<u>838,252</u>	<u>139,408</u>	<u>11,447</u>	<u>992,768</u>
Cash Disbursements				
Current:				
Security of Persons and Property	362,799	604	-	363,403
Public Health Services	6,000	-	-	6,000
Leisure Time Activities	29,911	-	-	59,822
Community Environment	40,347	-	-	40,347
Transportation	-	114,611	-	114,611
General Government	148,886	2,466	-	151,352
Capital Outlay	30,000	8,613	192,453	231,066
<i>Total Cash Disbursements</i>	<u>617,943</u>	<u>126,294</u>	<u>192,453</u>	<u>966,601</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>220,309</u>	<u>13,114</u>	<u>(181,006)</u>	<u>26,167</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	-	100,000	100,000
Transfers Out	(100,000)	-	-	(100,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	120,309	13,114	(81,006)	52,417
<i>Fund Cash Balances, January 1</i>	<u>547,183</u>	<u>74,261</u>	<u>578,881</u>	<u>1,200,325</u>
Fund Cash Balances, December 31				
Nonspendable	-	-	-	-
Restricted	-	87,375	497,875	585,250
Committed	-	-	-	-
Assigned	6,037	-	-	6,037
Unassigned (Deficit)	661,455	-	-	661,455
<i>Fund Cash Balances, December 31</i>	<u>\$ 667,492</u>	<u>\$ 87,375</u>	<u>\$ 497,875</u>	<u>\$ 1,252,742</u>

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

**VILLAGE OF WILLIAMSBURG
CLERMONT 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, 2015**

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 1,316,059	\$ -	\$ 1,316,059
Fines, Licenses and Permits	4,334	-	4,334
<i>Total Operating Cash Receipts</i>	<u>1,320,393</u>	<u>-</u>	<u>1,320,393</u>
Operating Cash Disbursements			
Personal Services	194,533	-	194,533
Fringe Benefits	61,484	-	61,484
Contractual Services	707,517	-	707,517
Supplies and Materials	93,694	-	93,694
Other	102	-	102
<i>Total Operating Cash Disbursements</i>	<u>1,057,330</u>	<u>-</u>	<u>1,057,330</u>
<i>Operating Income (Loss)</i>	<u>263,063</u>	<u>-</u>	<u>263,063</u>
Non-Operating Receipts (Disbursements)			
Miscellaneous Receipts	15,886	-	15,886
Capital Outlay	(322,600)	-	(322,600)
Principal Retirement	(25,812)	-	(25,812)
Interest and Other Fiscal Charges	(19,905)	-	(19,905)
Other Financing Sources	236,208	36,741	272,949
Other Financing Uses	(94,035)	(36,741)	(130,776)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(210,258)</u>	<u>-</u>	<u>(210,258)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	52,805	-	52,805
Transfers In	200,000	-	200,000
Transfers Out	(200,000)	-	(200,000)
<i>Net Change in Fund Cash Balances</i>	52,805	-	52,805
<i>Fund Cash Balances, January 1</i>	<u>2,245,002</u>	<u>4,850</u>	<u>2,249,852</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,297,807</u>	<u>\$ 4,850</u>	<u>\$ 2,302,657</u>

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

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Williamsburg, Clermont County, (the Village) as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides various services including police protection, park operations, and water and sewer utilities.

The Village participates in the Ohio Plan Risk Management, Inc. (OPRM) which is a public entity risk pool. Note 6 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 is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

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:

Village Capital Projects Fund – This fund accounts for major capital projects undertaken within the Village.

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

Waste Operating Fund This fund receives charges for services to cover waste collection costs.

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 (agency fund) – This fund accounts for monies that are received and disbursed with regard to Mayor's Court operations.

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 Board 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 certain agency funds) be budgeted annually.

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

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

Note 2 - Summary of Significant Accounting Policies(Continued)

A summary of 2016 and 2015 budgetary activity appears in Note 3.

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.

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.

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.

Fund Balance

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

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

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

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

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

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

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.

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts Expenditures	Variance
General	\$753,116	\$787,785	\$34,669
Special Revenue	191,350	178,911	(\$12,439)
Capital Projects	3,424,397	503,395	(\$2,921,002)
Enterprise	1,754,308	1,455,991	(\$298,317)
Fiduciary	0	0	\$0
Total	\$6,123,171	\$2,926,082	(\$3,197,089)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$760,055	\$730,819	\$29,236
Special Revenue	222,665	162,574	60,091
Capital Projects	750,500	356,091	394,409
Enterprise	2,653,131	1,689,176	963,955
Fiduciary	19	0	19
Total	\$4,386,370	\$2,938,660	\$1,447,710

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts Expenditures	Variance
General	\$657,657	\$834,589	\$176,932
Special Revenue	158,485	168,070	\$9,585
Capital Projects	100,000	100,000	\$0
Enterprise	1,941,958	1,772,485	(\$169,473)
Fiduciary	0	0	\$0
Total	\$2,858,100	\$2,875,144	\$17,044

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$783,462	\$718,805	\$64,657
Special Revenue	191,439	156,981	\$34,458
Capital Projects	334,033	292,452	\$41,581
Enterprise	2,495,498	1,723,514	\$771,984
Fiduciary	19	0	\$19
Total	\$3,804,451	\$2,891,752	\$912,699

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

Note 4 – 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 at December 31, 2016 and 2015 was \$3,624,874 and \$3,555,599, respectively.

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Village; or collateralized by the financial institution's public entity deposit pool.

Note 5 – Taxes

Property Taxes

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

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

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

Local 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.

The Village utilizes the Regional Income Tax Agency (R.I.T.A.) for the administration and collection of all Village Income tax.

Note 6 - Risk Management – Risk Pool Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government 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% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

Note 6 - Risk Management – Risk Pool Management (Continued)

treaty. Effective November 1, 2012 (and through October 2016) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan’s property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 809 members as of December 31, 2015 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 equity at December 31, 2015.

Assets	\$14,643,667
Liabilities	\$9,112,030
Members’ Equity	\$5,531,637

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

Workers’ Compensation coverage is provided by the State of Ohio. The Village pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Village has 20 employees that belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants’ gross salaries. The Village has paid all contributions required through December 31, 2016.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2016</i>	<i>10%</i>	<i>14%</i>

Ohio Police and Fire Retirement System

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.

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

Note 7 - Defined Benefit Pension Plans (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2016 OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2016.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OP&F- full time police</i>	<i>January 1, 2016- December 31, 2016</i>	<i>12.25%</i>	<i>19.5%</i>

Note 8 – Debt

Debt outstanding at December 31, 2016 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan	\$179,543	0%
Ohio Water Development Authority Loan	\$646,000	0%
USDA Revenue Bonds	<u>139,986</u>	3%
Total	<u>\$965,529</u>	

The Ohio Public Works Commission (OPWC) Loan relates to infrastructure upgrades to the Village's wastewater treatment system. The loan will be repaid in semi-annual payments of \$3,664 January 1 and July 1 of each year for 30 years. The final payment is due January 1, 2041.

The Ohio Water Development Authority (OWDA) Loan relates to infrastructure upgrades to the Village's wastewater treatment system. The loan will be repaid in semi-annual payments of \$4,242 January 1 and July 1 of each year for 20 years. The final payment is due by January 1, 2033.

The USDA Revenue Bonds relate to infrastructure upgrades to the Village's wastewater treatment system. The bonds will be repaid in semi-annual payments of principal and interest on March 1 and September 1 of each year for 40 years. The final payment is due by March 1, 2052.

Amortization

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

Year ending	<u>OPWC Loan</u>	<u>OWDA Loan</u>	<u>USDA Revenue Bond</u>	<u>Total</u>
December 31:				
2016	\$7,328	\$8,484	\$29,904	\$45,716
2017	\$7,328	\$8,484	\$29,604	\$45,416
2018	\$7,328	\$8,484	\$29,004	\$44,816
2019	\$7,328	\$8,484	30,689	\$46,501
2020-2024	36,640	42,420	148,047	227,107
2025-2029	36,640	42,420	148,371	227,431
2030-2034	36,640	29,694	149,180	215,514
2035-2039	36,640	0	148,130	184,770
2040-2044	11,000	0	149,009	160,009
2045-2049	0	0	148,368	148,368
2050-2052	<u>0</u>	<u>0</u>	<u>74,220</u>	<u>74,220</u>
Total	<u>\$186,872</u>	<u>\$148,470</u>	<u>\$1,084,526</u>	<u>\$1,419,868</u>

**VILLAGE OF WILLIAMSBURG
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

Note 9 – Contingent Liabilities

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.



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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 Williamsburg
Clermont County
107 West Main Street
Williamsburg, Ohio 45176

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, the financial statements of the Village of Williamsburg, Clermont County, Ohio (the Village) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 11, 2017 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 determination of financial statement amounts. 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 of Williamsburg
Clermont County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LINDHOLM + COMPANY

Lindholm + Company
Worthington, Ohio

June 11, 2017



Dave Yost • Auditor of State

VILLAGE OF WILLIAMSBURG

CLERMONT 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 11, 2017**