



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF WAYNESVILLE
WARREN COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Village of Waynesville
Warren County
1400 Lytle Road
Waynesville, Ohio 45068

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Waynesville, Warren County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 1B.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2024 and 2023, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

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

As described in Note 1B of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

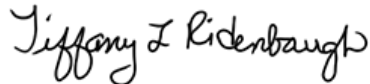
- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 16, 2025

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Village of Waynesville, Ohio*Warren County**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2024*

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$126,812	\$398,274	\$525,086
Municipal Income Tax	857,318		857,318
Intergovernmental	56,069	1,896,198	1,952,267
Special Assessments	76		76
Charges for Services	31,705	78,078	109,783
Licenses, Permits, and Fees	36,948	152	37,100
Fines, Forfeitures, and Settlements	114,116	6,904	121,020
Earnings on Investments	302,635	4,049	306,684
Miscellaneous	81	213	294
<i>Total Cash Receipts</i>	<u>1,525,760</u>	<u>2,383,868</u>	<u>3,909,628</u>
Cash Disbursements			
Current:			
Security of Persons and Property	136,770	632,363	769,133
Public Health Services	5,992	36	6,028
Transportation	15,518	221,576	237,094
General Government	466,202	21,819	488,021
Capital Outlay	49,000	1,646,486	1,695,486
<i>Total Cash Disbursements</i>	<u>673,482</u>	<u>2,522,280</u>	<u>3,195,762</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>852,278</u>	<u>(138,412)</u>	<u>713,866</u>
Other Financing Receipts (Disbursements)			
Sale of Capital Assets		4,015	4,015
Transfers In	815	200,000	200,815
Transfers Out	(200,000)		(200,000)
Advances In	499,750		499,750
Advances Out		(499,750)	(499,750)
Other Financing Sources	16,130	0	16,130
<i>Total Other Financing Receipts (Disbursements)</i>	<u>316,695</u>	<u>(295,735)</u>	<u>20,960</u>
Special Item	0	1,800	1,800
<i>Net Change in Fund Cash Balances</i>	<u>1,168,973</u>	<u>(432,347)</u>	<u>736,626</u>
<i>Fund Cash Balances, January 1</i>	<u>3,303,697</u>	<u>1,931,743</u>	<u>5,235,440</u>
<i>Fund Cash Balances, December 31</i>	<u>\$4,472,670</u>	<u>\$1,499,396</u>	<u>\$5,972,066</u>

See accompanying notes to the basic financial statements

Village of Waynesville, Ohio
Warren County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2024

	Proprietary Fund Types		
	Enterprise	Internal Service	Combined Total
Operating Cash Receipts			
Charges for Services	\$1,033,336		\$1,033,336
Miscellaneous	29,768		29,768
<i>Total Operating Cash Receipts</i>	<u>1,063,104</u>	<u>0</u>	<u>1,063,104</u>
Operating Cash Disbursements			
Personal Services	232,185		232,185
Employee Fringe Benefits	53,744	10,243	63,987
Contractual Services	447,373		447,373
Supplies and Materials	91,724		91,724
<i>Total Operating Cash Disbursements</i>	<u>825,026</u>	<u>10,243</u>	<u>835,269</u>
<i>Operating Income (Loss)</i>	<u>238,078</u>	<u>(10,243)</u>	<u>227,835</u>
Non-Operating Receipts (Disbursements)			
Intergovernmental Receipts	9,988		9,988
Special Assessments	283,068		283,068
Capital Outlay	(273,645)		(273,645)
Principal Retirement	(44,549)		(44,549)
Interest and Other Fiscal Charges	(5,017)		(5,017)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(30,155)</u>	<u>0</u>	<u>(30,155)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	<u>207,923</u>	<u>(10,243)</u>	<u>197,680</u>
Transfers In	250,000		250,000
Transfers Out	(250,000)	(815)	(250,815)
<i>Net Change in Fund Cash Balances</i>	<u>207,923</u>	<u>(11,058)</u>	<u>196,865</u>
<i>Fund Cash Balances, January 1</i>	<u>3,366,295</u>	<u>17,413</u>	<u>3,383,708</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$3,574,218</u></u>	<u><u>\$6,355</u></u>	<u><u>\$3,580,573</u></u>

See accompanying notes to the basic financial statements

Village of Wayneville, Ohio

Warren County

Combined Statement of Additions, Deductions

and Changes in Fund Balances (Regulatory Cash Basis)

All Fiduciary Fund Types

For the Year Ended December 31, 2024

	<u>Fiduciary Fund Types</u>
	<u>Custodial</u>
	<u>Other Custodial</u>
Additions	
Charges for Services	348,070
Fines, Licenses, and Permits for Distribution	153,685
<i>Total Additions</i>	<u>501,755</u>
Deductions	
Distributions as Fiscal Agent	359,138
Distributions to Other Governments	153,685
<i>Total Deductions</i>	<u>512,823</u>
<i>Net Change in Fund Balances</i>	(11,068)
<i>Fund Cash Balances, January 1</i>	<u>51,782</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$40,714</u></u>

See accompanying notes to the basic financial statements

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Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The municipal corporation existing as the Village of Waynesville (Village), Warren County, was established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio and the Charter of the Village. The Charter of the Village provides for a "Council-Manager Plan" form of government. The powers and functions of the Village are distributed among the Municipality, its citizens, and the various officers, bodies, board and commissions as provided in the Charter. The legislative powers of the Village are vested in a Council of seven members including the mayor. The Village provides general government services, police protection, parks and recreation, street maintenance and repair, water, and refuse collection services. The Village is provided fire protection by Wayne Township.

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

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

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.

D. 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 general laws of Ohio.

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Police Levy Fund – This fund receives property tax revenues to support the operation of the Village of Waynesville Police Department.

Street Levy Fund - This fund receives property tax revenues to support the operation of the general construction, reconstruction, resurfacing and repair of streets, roads and bridges.

American Rescue Plan (ARP) Fund – This funding will help relieve the Village from the economical impact of the Coronavirus.

Opioid Settlement Fund – This funding is earmarked for opioid abatement: prevention, treatment, recovery, and harm reduction

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.

Trash Pickup Fund - This fund receives charges for services from residents to cover trash service costs.

Water Capital Improvement Fund – The water capital improvement fund accounts for the provision of water treatment and distribution to the residents and commercial users served by the Village, and these funds are the primary source used to maintain the infrastructure necessary for the delivery of those services.

Internal Service Fund

This fund accounts for services provided by one department to other departments of the government unit. The Village had the following Internal Service Fund:

HRA Administration Fund – This fund receives transfers from the General Fund to support HRA claims made by employees.

Fiduciary Funds

Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2024 budgetary activity appears in Note 3.

E. Fund Balance

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

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

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

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

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

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

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

F. Capital Assets

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

G. Accumulated Leave

Village employees earn sick and vacation time that can be used for time off. 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.

H. 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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	<u>2024</u>
Demand deposits	<u>\$7,990,566</u>
Total deposits	<u>7,990,566</u>
STAR Ohio	602,787
CD's	<u>1,000,000</u>
Total investments	<u>1,602,787</u>
Total deposits and investments	<u>\$9,593,353</u>

Deposits

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2024

qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

Investments in STAROhio and CD's are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2024 follows:

2024 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$3,161,200	\$2,042,455	(\$1,118,745)
Special Revenue	2,574,608	2,589,683	15,075
Enterprise	2,623,205	1,606,160	(1,017,045)
Internal Service	4,966	0	(4,966)
Total	<u>\$8,363,979</u>	<u>\$6,238,298</u>	<u>(\$2,125,681)</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,784,704	\$875,927	(\$908,777)
Special Revenue	3,602,931	3,300,005	(302,926)
Enterprise	1,948,650	1,485,308	(463,342)
Internal Service	15,000	11,058	(3,942)
Total	<u>\$7,351,285</u>	<u>\$5,672,298</u>	<u>(\$1,678,987)</u>

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.

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 an increase in the municipal income tax to three quarters percent (.75%) 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.

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Employers within the Village withhold income tax on employee compensation and remit the tax to the Regional Income Tax Agency (RITA), whom the Village contracts to collect income taxes, either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

6. DEBT

Debt outstanding at December 31, 2024 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan #3235	\$35,919	4.00%
OWDA Loan #3984	\$55,933	4.00%
Total	<u>\$91,852</u>	

The Ohio Water Development (OWDA) Loan #3235 relates to an elevated storage tank for retaining water. The loan will be repaid in semiannual installments over 25 years. The loan is secured by water tower receipts and tap-in fees. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development (OWDA) Loan #3984 relates to well field improvement. The loan will be repaid in semiannual installments over 25 years. The loan is secured by water receipts and water capital improvement receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Village's taxing authority collateralized the bonds.

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

Year ending December 31:	OWDA #3235	OWDA #3984	Total
2025	37,002	13,501	50,503
2026	-	13,617	13,617
2027	-	13,740	13,740
2028	-	13,868	13,868
2029	-	6,984	6,984
Total	<u>\$37,002</u>	<u>\$61,710</u>	<u>\$98,712</u>

7. RETIREMENT SYSTEMS

Ohio Public Employees Retirement System

Village employees 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2024

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2024</i>	<i>10%</i>	<i>14%</i>

Ohio Police and Fire Retirement System

The Village's certified full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2024.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OP&F- full time police</i>	<i>2024</i>	<i>12.25%</i>	<i>19.5%</i>

8. RISK MANAGEMENT – OHIO PLAN RISK MANAGEMENT, INC.

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs 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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated, and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remained the same through October 31, 2022. Effective November 1, 2022, the property loss corridor was eliminated. OPRM had 847 members as of December 31, 2024.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2024. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2024.

Assets	\$ 24,456,615
Liabilities	(<u>16,692,162</u>)
Members' Equity	<u>\$ 7,764,453</u>

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

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2024

9. SUBSEQUENT EVENTS

Construction was completed on two OPWC grants received to repave and replace water lines on Franklin Road from Old Stage Road to US 42 and 3rd ST Franklin Road to High Street. The Village was also awarded a \$499,750 Ohio BUILDS water infrastructure grant to be used with the OPWC grant on 3rd Street. The Village used the remaining American Rescue Funds for part of the OPWC Grant project on Franklin Road

The Village was awarded an OPWC Grant for the second phase of the Franklin Road water line replacement and repaving project from Old Stage Road to Lytle Road, with work scheduled to begin in 2025.

The Village was also awarded an OPWC Grant for Fourth Street from High Street to Franklin Road for water line replacement and repaving. The project should begin in the fall of 2025.

The Village was awarded an ODOT grant for installing a traffic light at the corner of Route 42 and North Street. Work on this project is due to begin in the spring of 2025.

The Village had to replace the roof of the Government Center at 1400 Lytle Road after wind damage. There was no claim against the property insurance.

The Village purchased a used 2017 Taurus for a new police cruiser.

10. Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Total</u>
Nonspendable:				\$0
Unclaimed Monies	\$0			0
Corpus				0
Outstanding Encumbrances	2,445	277,975	87,071	367,491
<i>Total</i>	<u>\$2,445</u>	<u>\$277,975</u>	<u>\$87,071</u>	<u>\$367,491</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Village of Waynesville, Ohio*Warren County**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2023*

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$127,858	\$390,635	\$518,493
Municipal Income Tax	894,874		894,874
Intergovernmental	48,860	252,493	301,353
Special Assessments	17		17
Charges for Services	6,377	37,070	43,447
Fines, Licenses, and Permits	157,370	7,908	165,278
Earnings on Investments	272,923	3,364	276,287
Miscellaneous	50	717	767
<i>Total Cash Receipts</i>	<u>1,508,329</u>	<u>692,187</u>	<u>2,200,516</u>
Cash Disbursements			
Current:			
Security of Persons and Property	89,400	658,630	748,030
Public Health Services	4,753	40	4,793
Basic Utility Services		73,281	73,281
Transportation	38,922	241,219	280,141
General Government	462,770	32,255	495,025
Capital Outlay		36,098	36,098
<i>Total Cash Disbursements</i>	<u>595,845</u>	<u>1,041,523</u>	<u>1,637,368</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>912,484</u>	<u>(349,336)</u>	<u>563,148</u>
Other Financing Receipts (Disbursements)			
Sale of Capital Assets	15,160	15,479	30,639
Transfers In		200,000	200,000
Transfers Out	(220,000)		(220,000)
Advances In		499,750	499,750
Advances Out	(499,750)		(499,750)
Other Financing Sources	4,266		4,266
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(700,324)</u>	<u>715,229</u>	<u>14,905</u>
Special Item	<u>0</u>	<u>845</u>	<u>845</u>
<i>Net Change in Fund Cash Balances</i>	<u>212,160</u>	<u>366,738</u>	<u>578,898</u>
<i>Fund Cash Balances, January 1</i>	<u>3,091,537</u>	<u>1,565,005</u>	<u>4,656,542</u>
<i>Fund Cash Balances, December 31</i>	<u>\$3,303,697</u>	<u>\$1,931,743</u>	<u>\$5,235,440</u>

See accompanying notes to the basic financial statements

Village of Waynesville, Ohio
Warren County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2023

	Proprietary Fund Types		
	Enterprise	Internal Service	Combined Total
Operating Cash Receipts			
Charges for Services	\$975,770		\$975,770
Miscellaneous	14,189		14,189
<i>Total Operating Cash Receipts</i>	<u>989,959</u>	<u>0</u>	<u>989,959</u>
Operating Cash Disbursements			
Personal Services	203,125		203,125
Employee Fringe Benefits	41,827	6,977	48,804
Contractual Services	463,227		463,227
Supplies and Materials	91,459		91,459
<i>Total Operating Cash Disbursements</i>	<u>799,638</u>	<u>6,977</u>	<u>806,615</u>
<i>Operating Income (Loss)</i>	<u>190,321</u>	<u>(6,977)</u>	<u>183,344</u>
Non-Operating Receipts (Disbursements)			
Special Assessments	282,474		282,474
Sale of Capital Assets	6,400		6,400
Capital Outlay	(191,008)		(191,008)
Principal Retirement	(20,065)		(20,065)
Interest and Other Fiscal Charges	(3,154)		(3,154)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>74,647</u>	<u>0</u>	<u>74,647</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	<u>264,968</u>	<u>(6,977)</u>	<u>257,991</u>
Transfers In	500,000	20,000	520,000
Transfers Out	(500,000)		(500,000)
<i>Net Change in Fund Cash Balances</i>	<u>264,968</u>	<u>13,023</u>	<u>277,991</u>
<i>Fund Cash Balances, January 1</i>	<u>3,101,327</u>	<u>4,390</u>	<u>3,105,717</u>
<i>Fund Cash Balances, December 31</i>	<u>\$3,366,295</u>	<u>\$17,413</u>	<u>\$3,383,708</u>

See accompanying notes to the basic financial statements

Village of Wayneville, Ohio

Warren County

Combined Statement of Additions, Deductions

and Changes in Fund Balances (Regulatory Cash Basis)

All Fiduciary Fund Types

For the Year Ended December 31, 2023

	<u>Fiduciary Fund Types</u>
	<u>Custodial</u>
	<u>Other Custodial</u>
Additions	
Charges for Services	321,281
Fines, Licenses, and Permits for Distribution	155,859
<i>Total Additions</i>	<u>477,140</u>
Deductions	
Distributions as Fiscal Agent	312,581
Distributions to Other Governments	155,859
<i>Total Deductions</i>	<u>468,440</u>
<i>Net Change in Fund Balances</i>	8,700
<i>Fund Cash Balances, January 1</i>	<u>43,082</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$51,782</u></u>

See accompanying notes to the basic financial statements

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Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The municipal corporation existing as the Village of Waynesville (Village), Warren County, was established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio and the Charter of the Village. The Charter of the Village provides for a "Council-Manager Plan" form of government. The powers and functions of the Village are distributed among the Municipality, its citizens, and the various officers, bodies, board and commissions as provided in the Charter. The legislative powers of the Village are vested in a Council of seven members including the mayor. The Village provides general government services, police protection, parks and recreation, street maintenance and repair, water, and refuse collection services. The Village is provided fire protection by Wayne Township.

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

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

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.

D. 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 general laws of Ohio.

Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2023

restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Police Levy Fund – This fund receives property tax revenues to support the operation of the Village of Waynesville Police Department.

Street Levy Fund - This fund receives property tax revenues to support the operation of the general construction, reconstruction, resurfacing and repair of streets, roads and bridges.

American Rescue Plan (ARP) Fund – This funding will help relieve the Village from the economical impact of the Coronavirus.

Opioid Settlement Fund – This funding is earmarked for opioid abatement: prevention, treatment, recovery, and harm reduction

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.

Trash Pickup Fund - This fund receives charges for services from residents to cover trash service costs.

Water Capital Improvement Fund – The water capital improvement fund accounts for the provision of water treatment and distribution to the residents and commercial users served by the Village, and these funds are the primary source used to maintain the infrastructure necessary for the delivery of those services.

Internal Service Fund

This fund accounts for services provided by one department to other departments of the government unit. The Village had the following Internal Service Fund:

HRA Administration Fund – This fund receives transfers from the General Fund to support HRA claims made by employees.

Fiduciary Funds

Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for Mayor's Court Activity and Sewer Receipts to be remitted to Warren County.

E. Budgetary Process

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

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2023 budgetary activity appears in Note 3.

F. Fund Balance

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

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

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2023

balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

G. Capital Assets

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

H. Accumulated Leave

Village employees earn sick and vacation time that can be used for time off. 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.

I. 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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

1. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	<u>2023</u>
Demand deposits	<u>\$7,099,246</u>
Total deposits	<u>7,099,246</u>
STAR Ohio	571,684
CD's	<u>1,000,000</u>
Total investments	<u>1,571,684</u>
Total deposits and investments	<u>\$8,670,930</u>

Deposits

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2023

qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

Investments in STAROhio and CD's are not evidenced by securities that exist in physical or book-entry form.

2. Compliance

Contrary to Ohio law, appropriations exceeded estimated revenue in the Police Levy and Water funds by \$41,185 and \$14,506 for the year ended December 31, 2023, respectively.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$1,270,308	\$1,527,755	\$257,447
Special Revenue	2,070,378	1,408,261	(662,117)
Enterprise	1,271,813	1,778,833	507,020
Internal Service	13,024	20,000	6,976
Total	<u>\$4,625,523</u>	<u>\$4,734,849</u>	<u>\$109,326</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,669,150	\$1,318,565	(\$350,585)
Special Revenue	1,860,043	1,274,754	(585,289)
Enterprise	3,108,974	1,735,056	(1,373,918)
Internal Service	12,000	6,977	(5,023)
Total	<u>\$6,650,167</u>	<u>\$4,335,352</u>	<u>(\$2,314,815)</u>

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.

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

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2023

5. LOCAL INCOME TAX

The Village levies an increase in the municipal income tax to three quarters percent (.75%) 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 Regional Income Tax Agency (RITA), whom the Village contracts to collect income taxes, either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

6. DEBT

Debt outstanding at December 31, 2023 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan #3235	\$35,919	4.00%
OWDA Loan #3984	<u>\$55,933</u>	4.00%
Total	<u>\$91,852</u>	

The Ohio Water Development (OWDA) Loan #3235 relates to an elevated storage tank for retaining water. The loan will be repaid in semiannual installments over 25 years. The loan is secured by water tower receipts and tap-in fees. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development (OWDA) Loan #3984 relates to well field improvement. The loan will be repaid in semiannual installments over 25 years. The loan is secured by water receipts and water capital improvement receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Village's taxing authority collateralized the bonds.

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

Year ending December 31:	OWDA #3235	OWDA #3984	Total
2024	36,176	13,390	49,566
2025	37,002	13,501	50,503
2026	-	13,617	13,617
2027	-	13,740	13,740
2028	-	13,868	13,868
2029	-	6,984	6,984
Total	<u>\$73,178</u>	<u>\$75,100</u>	<u>\$148,278</u>

7. RETIREMENT SYSTEMS

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Ohio Public Employees Retirement System

Village employees 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2023</i>	<i>10%</i>	<i>14%</i>

Ohio Police and Fire Retirement System

The Village's certified full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2023.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OP&F- full time police</i>	<i>2023</i>	<i>12.25%</i>	<i>19.5%</i>

8. RISK MANAGEMENT – OHIO PLAN RISK MANAGEMENT, INC.

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs 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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2023

November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

—	Assets	\$ 23,113,696
	Liabilities	(16,078,587)
	Members' Equity	<u>\$ 7,035,109</u>

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

9. SUBSEQUENT EVENTS

The American Rescue Fund (ARP) was used to add Well #10 to the Village's water system. This is still under construction. The Village had a new road built to the new well site and was fenced in for added security.

Construction has begun on the two OPWC grants received to repave and replace water lines on Franklin Street from Old Stage Road to US 42 and 3rd ST Franklin Street to High Street. The Village was also awarded a \$499,750 Ohio BUILDS water infrastructure grant to be used with the OPWC grant on 3rd Street.

The Village was awarded an OPWC Grant for the second phase of the Franklin Road water line replacement and repaving project from Old Stage Road to Lytle Road, with work scheduled to begin in 2024.

The Village was awarded an ODOT grant for installing a traffic light at the corner of Route 42 and North Street. Work on this project is due to begin in 2025.

Strawser Construction completed micro-surfacing 25,232 square feet of streets within the Village.

The Village had an independent contractor do an onsite cybersecurity assessment of the Village's computer systems. The Village updated the system according to the company's recommendations.

The Village sold an empty lot, 577 High Street.

10. Fund Balances

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

Village of Waynesville
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2023

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Total</u>
Nonspendable:				\$0
Unclaimed Monies	\$0			0
Corpus				0
Outstanding Encumbrances	2,970	233,231	221,191	457,391
<i>Total</i>	<u>\$2,970</u>	<u>\$233,231</u>	<u>\$221,191</u>	<u>\$457,391</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

11. Interfund Balances

Outstanding advances at December 31, 2023, consisted of \$499,750 advanced to the 3rd Street Grant fund to provide working capital for operations or projects.

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Village of Waynesville
Warren County
1400 Lytle Road
Waynesville, Ohio 45068

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Village of Waynesville, Warren County, Ohio (the Village) and have issued our report thereon dated December 16, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2024-003.

Purpose of this Report

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 16, 2025

**VILLAGE OF WAYNESVILLE
WARREN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

FINDING NUMBER 2024-001

Material Weakness – Financial Reporting

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

The following errors were noted with financial reporting:

2023					
Transaction as Posted (incorrect)			Correct Transaction Posting		
Fund	Classification	Amount	Fund	Classification	Amount
Police Levy	Property Taxes	\$43,945	Police Levy	Intergovernmental	\$43,945
The Village incorrectly classified Policy Levy fund homestead and rollback receipts as Property Tax, and should have posted it to Intergovernmental receipts.					
Not Posted			General	General Government	\$26,581
				Municipal Income Tax	\$26,581
The Village recorded municipal income tax collections from the Regional Income Tax Agency (RITA) at net, rather than at gross. This resulted in an understatement of receipts and expenditures.					
ARP Fund (2152)	Basic Utility Services	\$30,515	ARP Fund (2152)	Capital Outlay	\$30,515
The Village incorrectly classified ARP fund disbursements as basic utility services and should have posted it as capital outlay.					
Third Street (2052)	Transfers In	\$499,750	Third Street (2052)	Advances In	\$499,750
The Village incorrectly classified an advance in for the Third Street Project as a transfer in for the Third Street fund.					
General Fund	Transfers Out	\$499,750	General Fund	Advances Out	\$499,750
The Village incorrectly classified an advance out for the Third Street Project as transfer out in the General Fund. Per resolution 2023-046, this money will be paid back to the general fund when received through a grant by the state; therefore, this amount should have been classified as an advance rather than a transfer.					
Water Improvement Fund (5701)	Contractual Services	\$32,853	Water Improvement Fund (5701)	Capital Outlay	\$32,853
The Village incorrectly classified Water Improvement fund disbursements as contractual services and should have posted it as capital outlay.					

FINDING NUMBER 2024-001
(Continued)

Not Posted	-	-	Mayor's Court	Fines, Licenses, and Permits for Distribution Receipts	\$155,859
The Village failed to record Mayor's Court receipt activity in the financial statements that was maintained on a separate system, resulting in an understatement of receipts.					
Not Posted	-	-	Mayor's Court	Distributions to other Governments	\$155,859
The Village failed to record Mayor's Court disbursement activity in the financial statements that was maintained on a separate system, resulting in an understatement of expenditures.					
2024					
Transaction as Posted (incorrect)			Correct Transaction Posting		
Fund	Classification	Amount	Fund	Classification	Amount
General	Other Financing Sources	\$499,750	Third Street	Intergovernmental	\$499,750
The Village incorrectly recorded Third Street grant money as other financing sources in the General fund and should have recorded recorded grant money to Third Street fund as Intergovernmental.					
Not Posted	-	-	General Fund	Advances In	\$499,750
Not Posted	-	-	Third Street	Advances Out	\$499,750
The Village failed to properly record the repayment of the advance for the Third Street fund project.					
Not Posted			General	Municipal Income Tax	\$26,263
				General Government	\$26,263
The Village recorded municipal income tax collections from the Regional Income Tax Agency (RITA) at net, rather than at gross. This resulted in an understatement of receipts and expenditures. expenditures.					
General	Intergovernmental	\$50,531	Police Levy	Intergovernmental	\$44,215
			Street Levy Fund	Intergovernmental	\$6,316
The Village incorrectly recorded homestead and rollback receipts as General fund Intergovernmental, and should have posted it to Intergovernmental receipts in the Police Levy and Street Construction fund.					
Franklin OPWC			Franklin OPWC	Intergovernmental	\$43,876
				Capital Outlay	\$43,876
The Village did not record OPWC receipts paid directly to the contractor, which resulted in an understatement of receipts and expenditures.					

FINDING NUMBER 2024-001
(Continued)

Franklin OPWC	Basic Utility Services	\$594,210	Franklin OPWC	Capital Outlay	\$594,210
The Village incorrectly classified Franklin OPWC fund disbursements as basic utility services and should have posted it as capital outlay.					
Third Street OPWC	Basic Utility Services	\$499,493	Third Street OPWC	Capital Outlay	\$499,493
The Village incorrectly classified Third Street OPWC fund disbursements as basic utility services and should have posted it as capital outlay.					
General	General Government	\$49,000	General	Capital Outlay	\$49,000
The Village incorrectly classified General fund disbursements as general government and should have posted it as capital outlay.					
ARP Fund	Basic Utility Services	\$203,487	ARP Fund	Capital Outlay	\$203,487
The Village incorrectly classified ARP fund disbursements as basic utility services and should have posted it as capital outlay.					
Water Capital Improvement	Contractual Services	\$38,597	Third Street Grant Fund	Capital Outlay	\$60,307
Storm Sewer Utility	Contractual Services	\$21,710			
The Village incorrectly recorded grant fund disbursements as contractual services in the Water Capital Improvement and Storm Sewer Utility fund and should have recorded them in the Third Street Grant fund as Capital outlay.					
-	-	-	Mayor's Court	Fines, Licenses, and Permits for Distribution Receipts	\$153,685
The Village failed to record Mayor's Court receipt activity in the financial statements that was maintained on a separate system, resulting in an understatement of receipts.					
-	-	-	Mayor's Court	Distributions to other Governments	\$153,685
The Village failed to record Mayor's Court disbursement activity in the financial statements that was maintained on a separate system, resulting in an understatement of expenditures.					
Third Street Grant	Basic Utility Services	\$225,826	Third Street Grant	Capital Outlay	\$225,826
The Village incorrectly classified Third Street Grant fund disbursements as basic utility services and should have posted it as capital outlay.					

These errors were not identified and corrected prior to the Village preparing its financial statements and notes to the financial statements due to deficiencies in the Village's internal controls over financial statement monitoring. Failure to accurately post and report transactions could result in material errors in the Village's financial statements and reduces the Village's ability to monitor financial activity and to make sound decisions which effect the overall available cash positions of the Village.

The Village also made errors in financial reporting in the Statement of Receipts, Disbursements, and Changes in Fund Balances in amounts ranging from \$5,583 to \$9,988 in 2023 and 2024.

FINDING NUMBER 2024-001
(Continued)

The Village corrected the financial statements and accounting records, as approved by management, where appropriate.

To help ensure the Village's financial statements are complete and accurate, the Village should establish and implement internal control procedures for proper posting of financial activity and to identify and correct errors and omissions in the recording of financial transactions.

Officials' Response:

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

FINDING NUMBER 2024-002

Material Weakness - Budgetary Amounts Not Recorded in Accounting System

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

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

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations approved by Council were not properly posted to the accounting system. The following differences were noted between the system and the approved budgetary documents for 2023 as follows:

Appropriations	Appropriation Resolutions	Amount Posted to System	Variance
General Fund (1000)	\$1,669,150	\$1,869,150	\$200,000
Trash Pickup Fund (5601)	\$319,574	\$265,000	(\$54,574)

Several errors were noted in the Budgetary Presentation in the notes to the financial statements, during 2023 and 2024.

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

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers. All budgetary presentations in the notes to the financial statements should accurately reflect the amounts of budgeted receipts and appropriations as approved by the Council in order to provide complete and reliable information to the financial statement users.

FINDING NUMBER 2024-002
(Continued)

Officials' Response:

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

FINDING NUMBER 2024-003

Noncompliance -Appropriations Exceeding Estimated Resources

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

At December 31, 2023 the Village's appropriations exceeded the amount certified as available by the budget commission in the Police Levy and Water funds by \$41,185 and \$14,506, respectively.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Village's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Council to reduce the appropriations.

Officials' Response:

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

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WAYNESVILLE

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/6/2026

65 East State Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov