



Dave Yost • Auditor of State

**Village of Portage
Wood County**

Financial Emergency Termination

Local Government Services

Village of Portage, Wood County

Fiscal Emergency Termination

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Village of Portage Financial Forecast
For the Years Ending December 31, 2017 Through December 31, 2021

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CERTIFICATION

Pursuant to a request sent to the Auditor of State by the Financial Planning and Supervision Commission for the Village of Portage, the Auditor of State performed an analysis of the Village of Portage to determine whether the Commission and its functions under Chapter 118 of the Ohio Revised Code should be terminated. Based on the analysis, the Auditor of State certifies, as required by Section 118.27 of the Revised Code, that the Village of Portage no longer meets the fiscal emergency conditions determined pursuant to Section 118.04 of the Revised Code, that the objectives of the financial recovery plan are being met, that an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code has been implemented, and that Management has prepared a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State and an opinion has been rendered by the Auditor of State that the financial forecast is considered to be nonadverse. Therefore, the existence of the Financial Planning and Supervision Commission of the Village of Portage and its role in the operation of the Village of Portage is terminated as of October 2, 2017.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted to W. Mark Wolford, Mayor of the Village of Portage; Michael Brinkman, President Pro-Tempore of Village Council; John Kasich, Governor; Timothy Keen, Director of the Office of Budget and Management; Josh Mandel, Treasurer of State; and Michael Sibbersen, Wood County Auditor.

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

Dave Yost
Auditor of State

October 2, 2017

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Village of Portage, Wood County
Report on the Village of Portage
Fiscal Emergency Termination

Report on the Termination of the Portage Financial Planning and Supervision Commission

At the request of the Village of Portage Financial Planning and Supervision Commission (the Commission), Wood County, Ohio, as provided by Section 118.27(B) of the Ohio Revised Code, the Auditor of State has performed an analysis in order to determine whether the Commission and its functions under Chapter 118 should be terminated.

Guidelines for performing such an analysis are set forth in Section 118.27(A) of the Revised Code, which states that:

“A Financial Planning and Supervision Commission with respect to a municipality...and its functions under this chapter shall continue in existence until such time as a determination is made pursuant to division (B) of this section that the municipality...has done all of the following: (1) planned, and is in the process of good faith implementation of, an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code, and it is reasonably expected that such implementation will be completed within two years; (2) corrected and eliminated or has planned and is in the process of good faith implementation of correcting and eliminating all the fiscal emergency conditions determined pursuant to Section 118.04 of the Revised Code, and no new emergency conditions have occurred...; (3) met the objectives of the financial plan described in Section 118.06 of the Revised Code; and (4) the municipal corporation...prepares a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State...”.

Results of our work under Section 118.27(A) of the Revised Code are as follows:

Pages four through eleven of the report indicate that the Village has effectively implemented a financial accounting and reporting system in accordance with Section 118.10(A) of the Revised Code.

All fiscal emergency conditions have been corrected and eliminated and no new fiscal emergency conditions exist under Section 118.04 of the Revised Code. This analysis can be found beginning on page twelve.

We have reviewed the objectives of the financial plan and determined that the Village has met the objectives in accordance with Section 118.06 of the Revised Code. Specific conclusions can be found on page sixteen.

We examined and issued a nonadverse report on the five-year forecast prepared by the Village. The forecast and our report can be found in Appendix A.

Based on this analysis, the Auditor of State’s Office has determined that the Financial Planning and Supervision Commission and its functions may be terminated.

It is understood that this report’s determination is for the use of the Financial Planning and Supervision Commission of the Village of Portage, the Auditor of State of Ohio, the Governor of Ohio, the Mayor of the Village of Portage, and others as designated by the Auditor of State and is not to be used for any other purpose. Our procedures and findings follow.

Section 1 - Financial Accounting and Reporting System

When a Village is placed in fiscal emergency, the Auditor of State is required to report on the effectiveness of the Village's financial accounting and reporting system. The Auditor of State, in accordance with Section 118.10(A) of the Revised Code, assessed the methods, accuracy, and legality of the accounts, records, files, and reports of the Village of Portage (the Village) and issued a Report on Accounting Methods, dated May 5, 2011. The report identified areas where the Village's financial accounting and reporting system were not in compliance with Section 117.43 of the Revised Code and the requirements of the Auditor of State.

The criteria for termination from fiscal emergency include a determination by the Auditor of State that an effective financial accounting and reporting system has been implemented, or is in the process of implementation, and is expected to be completed within two years. This determination is based on management providing a summary of the actions taken to address the issues identified in the Report on Accounting Methods. We confirmed whether the actions taken by management were sufficient to correct the issues identified in the Report on Accounting Methods. A summary of each area of noncompliance identified in the Report on Accounting Methods and the status of each corrective action is presented below:

Budgetary System

Auditor of State Comment from Report on Accounting Methods

Section 5705.39 of the Revised Code requires that the total appropriations from each fund shall not exceed the total of the estimated resources available for expenditure, as certified by the Budget Commission. The Fiscal Officer should document the comparison of appropriations to estimated resources. This comparison should be presented to the Village Council upon request for appropriations demonstrating the effect of the appropriations and compliance with budgetary requirements, if adopted.

Implemented

The Fiscal Officer reviews the comparison of appropriations to estimated resources with Village Council each month and prior to the approval of any increase in appropriations.

Auditor of State Comment from Report on Accounting Methods

The Village does not compare actual receipts to estimated resources during the year or request an amended certificate of estimated resources when increases or decreases are appropriate as required by Section 5705.36 of the Revised Code. The Fiscal Officer should document the comparison of actual receipts to estimated receipts and present this comparison to the Village Council prior to requesting an amended certificate of estimated resources from the County Auditor.

Implemented

The Fiscal Officer reviews the revenue status report monthly comparing actual receipts to estimated resources. If an increase or decrease in the amended certificate is needed, the reason and amount of the increase or decrease is reviewed with Village Council and the request is submitted to the County Auditor.

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Auditor of State Comment from Report on Accounting Methods

Estimated receipts and appropriations were not recorded correctly to the accounting system. Estimated receipts entered into the accounting system must match the current certificate of estimated resources from the County Auditor and appropriations must match the original appropriations ordinance plus any amendments approved by the Village Council.

Implemented

Estimated receipts are posted to the accounting system and compared to the most recent amended certificate. The original appropriations and all supplemental appropriations approved by Village Council are posted to the accounting system.

Auditor of State Comment from Report on Accounting Methods

The Village does not compare cash disbursements plus encumbrances to available appropriations prior to certifying any purchase obligations and to determine whether any adjustments are needed to the amounts appropriated during the year. Section 5705.41(B) of the Revised Code states that no expenditure of money may be made unless it has been appropriated. The Fiscal Officer should periodically review the appropriation status report to determine if amounts appropriated will be sufficient for the remainder of the year and in the appropriate line item appropriation prior to certifying any purchase obligations.

Implemented

Prior to the certification of any purchase obligation, the Fiscal Officer reviews the appropriation status report to determine if amounts appropriated are sufficient or whether any adjustments are needed.

Receipt Transactions

Auditor of State Comment from Report on Accounting Methods

The Fiscal Officer keeps receipts in his locked office; however, they are left on the desk. This does not adequately safeguard receipts. Receipts must be secured in a safe or locked cabinet with access limited to the Fiscal Officer.

Implemented

The Village purchased a safe to safeguard receipts and access is limited to the Fiscal Officer and the Mayor.

Auditor of State Comment from Report on Accounting Methods

Deposits are not made timely. Section 9.38 of the Revised Code requires the deposit of all public monies the next business day next following the day of receipt or, if the amount is less than \$1,000, the legislative authority may adopt a policy permitting a different time period, not to exceed three business days next following the day of receipt for making such deposits. The Village Council should implement a policy that includes provisions and procedures to safeguard the public monies until they are deposited.

Village of Portage, Wood County
Report on the Village of Portage
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Implemented

Village Council passed an ordinance on January 20, 2015, allowing the Fiscal Officer to make deposits within three business days of receipt if the amount is less than \$1,000. The majority of deposits are made by direct deposit. Other deposits are made within the guidelines of the Ohio Revised Code or Village ordinance.

Purchasing Process

Auditor of State Comment from Report on Accounting Methods

The Village does not require new vendors to submit information before a purchase order is completed. The Village should not issue purchase orders to a vendor until all appropriate information about the vendor is received, including an IRS Form W-9.

Implemented

The Village requires all new vendors to submit required information before a purchase order is completed, including an IRS form W-9.

Auditor of State Comment from Report on Accounting Methods

Ohio Administrative Code requires purchase orders to be used to initiate purchase commitments and to encumber funds against the applicable appropriation accounts. Purchases should be certified indicating sufficient unencumbered appropriations exist prior to the purchase of goods or services.

Implemented

The Village is utilizing purchase orders to encumber funds against applicable appropriation accounts prior to a purchase. Purchase orders are certified by the Fiscal Officer prior to the order for goods and services being placed.

Auditor of State Comment from Report on Accounting Methods

The Village does not have an appropriate preapproval process in place to initiate a purchase. Documented approvals do not occur until the time the invoice needs to be paid. All purchases should be approved by the Mayor and certified by the Fiscal Officer prior to the order for goods or services being placed.

Implemented

The Mayor approves all purchase orders which are certified by the Fiscal Officer prior to the order for goods or services being placed.

Village of Portage, Wood County
Report on the Village of Portage
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Auditor of State Comment from Report on Accounting Methods

The Fiscal Officer does not utilize a Then and Now Certificate when purchases are made without prior approval and certification. Purchase orders may be certified at the time of payment but the certification must indicate that, both at the time the order was placed and at the current time (time of payment), a sufficient sum was appropriated and is in the treasury or in the process of collection. Then and Now Certificates for amounts in excess of \$3,000 must be approved by council resolution within thirty days.

Implemented

The Fiscal Officer generally uses regular or blanket purchase orders; however, uses then and now certificates when necessary.

Cash Disbursements

Auditor of State Comment from Report on Accounting Methods

Invoices are being paid without adequate documentation that goods and services were received or that goods and services received were as ordered (items, quantities, costs). The Village must establish a process by which purchases are properly authorized, received, and verified before invoices are paid.

Implemented

Good and services are properly authorized prior to purchase and verified prior to payment. Authorization for purchases occurs when the Mayor approves the purchase order. Invoices for goods and services received are signed by the Village Administrator or Street Department confirming the accuracy of items, quantities, and costs.

Auditor of State Comment from Report on Accounting Methods

Blank checks are kept in the Fiscal Officer's office; however, they are not adequately secured. All checks must be maintained in a secure location with access limited to the Fiscal Officer.

Implemented

The Village purchased a safe to safeguard all checks and access is limited to the Fiscal Officer and the Mayor.

Auditor of State Comment from Report on Accounting Methods

Checks signed by the Fiscal Officer and awaiting the Mayor's signature are not adequately secured. Checks are left in the Mayor's mailbox in the central office location that is accessible to anyone who may be in the central office, including the public. Checks awaiting the Mayor's signature should be kept in a safe or locked cabinet with access limited to the Fiscal Officer and Mayor.

Village of Portage, Wood County
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Implemented

The Village purchased a safe to safeguard all checks and access is limited to the Fiscal Officer and the Mayor.

Payroll Processing

The Fiscal Officer is not maintaining adequate records and supporting documentation for the information provided to various reporting agencies, such as the IRS and OPERS. Copies of the Form 941's as well as the confirmation of deposits should be kept in a file by year. Copies of the Monthly Report of Retirement Contributions to OPERS and the corresponding confirmations of payment should also be kept in a file by year. Similar information must be maintained on employee withholdings for all other reporting agencies, such as the Ohio Department of Taxation for State income tax and/or school district income tax withholdings, etc.

Implemented

The Fiscal Officer has updated all applicable files and is maintaining adequate records and supporting documentation.

Auditor of State Comment from Report on Accounting Methods

IRS Form W-4 and OPERS forms are not completed timely by newly elected officials and/or new employees. These forms should be completed immediately upon appointment or hire and should be maintained in individual personnel files by the Fiscal Officer.

Implemented

The Fiscal Officer has updated all applicable files and is maintaining adequate records and supporting documentation.

Auditor of State Comment from Report on Accounting Methods

Payroll checks signed by the Fiscal Officer and awaiting the Mayor's signature are not adequately secured. Checks are left in the Mayor's mailbox in the central office location that is accessible to anyone who may be in the central office, including the public. Checks awaiting the Mayor's signature should be kept in a safe or locked cabinet with access limited to the Fiscal Officer and Mayor.

Implemented

The Village purchased a safe to safeguard all checks and access is limited to the Fiscal Officer and the Mayor.

Auditor of State Comment from Report on Accounting Methods

Payroll checks, which have not been distributed directly to the individual, are left in an unsecured central office location. Payroll checks must be kept in a safe or locked filing cabinet until they can be distributed directly to the individual or they should be placed in the mail to the individual.

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Implemented

The Village purchased a safe to safeguard all checks and access is limited to the Fiscal Officer and the Mayor.

Debt Administration

Auditor of State Comment from Report on Accounting Methods

Revenue bond covenants require the Village to maintain a reserve fund, in the amount of \$40,800, and to make all principal and interest payments in accordance with the amortization schedule. The Village must ensure that there are sufficient resources to make principal and interest payments when due.

Implemented

The Village approved and created a reserve fund, in the amount of \$40,800, in accordance with revenue bond covenants.

Inventory of Capital Assets

Auditor of State Comment from Report on Accounting Methods

The Village does not maintain an inventory of capital assets. Without an inventory of capital assets, the Village is unable to determine if there is adequate insurance coverage, whether assets have been lost or stolen, whether idle assets exist that can be sold to generate additional revenue, and whether assets are used in the most efficient manner. The Village should develop an inventory of all capital assets and update it annually. The Village should adopt policies and procedures to account for capital assets and develop an inventory of all capital assets.

Implemented

The Village has adopted a capital asset policy and prepared an inventory of all property, buildings, and equipment.

Cash Management and Investing

Auditor of State Comment from Report on Accounting Methods

The Fiscal Officer does not attend annual training provided by the State Treasurer's Office for investments. The Fiscal Officer is exempt from this training if the Village has no investments and the Fiscal Officer files an exemption form. The form has not been filed.

Implemented

The Fiscal Officer has filed the exemption form with the State Treasurer's Office.

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Auditor of State Comment from Report on Accounting Methods

The Village is not adequately identifying voided checks. The bank routing number and account number should be marked through with a black marker and “void” should be written across the face of all voided checks. The checks should be filed in sequential order or in file labeled “voided checks.”

Implemented

The Fiscal Officer maintains all voided checks in a folder. The signature line on the check is cut out, the bank routing number is marked through with a black marker, and “void” is written across the face of the voided check.

Financial Reporting

Auditor of State Comment from Report on Accounting Methods

Village Council has not defined, by ordinance, the type or frequency of financial information to be reported to Village Council.

Implemented

Village Council passed an ordinance on June 15, 2015, that requires the comparison of budget and appropriated funds report be provided to them monthly by the Fiscal Officer. The Fiscal Office is also providing Village Council with a cash summary by fund report, revenue status report, appropriation status report, and bank statements with bank reconciliation at the monthly Village Council meetings.

Recording Official Proceedings

Auditor of State Comment from Report on Accounting Methods

The Village has not established a records commission as required by Section 149.39 of the Revised Code.

Implemented

The Village has established a records commission.

Auditor of State Comment from Report on Accounting Methods

The Village has not established rules for the retention and disposal of records as required by section 149.39 of the Revised Code.

Implemented

The Village Council, by ordinance, has adopted rules for records retention and disposal. The ordinance was approved by Village Council on March 17, 2014.

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Auditor of State Comment from Report on Accounting Methods

The Village Council approves many actions through motions instead of ordinances or resolutions. The Village Council should consult with the Village Solicitor to ensure it is approving actions through ordinance or resolution when required.

Implemented

Village Council approves most actions through ordinances and resolutions under guidance provided by the Village Solicitor.

Auditor of State Comment from Report on Accounting Methods

Village minutes are sometimes incomplete or do not contain all actions of Council taken during the meeting or the signature of the Fiscal Officer. The Fiscal Officer should maintain a complete and accurate record of the Village meetings within the minutes. Village Council should note during the reading of the prior meeting minutes corrections of any actions or deliberations not mentioned in the minutes. All minutes should be signed by both the President of Council and Fiscal Officer after reading approval of the minutes by Village Council.

Implemented

The minutes are complete and contain all actions of Village Council taken during the meetings. Minutes are signed by both the President of Council and the Fiscal Officer.

Auditor of State Comment from Report on Accounting Methods

The signatures of the President of Council and Fiscal Officer are lacking on some ordinances. The President of Council as well as the Fiscal Officer should sign each ordinance.

Implemented

The President of Council and Fiscal Officer are signing all ordinances.

Auditor of State Comment from Report on Accounting Methods

The signatures of the President of Council and Fiscal Officer are lacking on some minutes. The President of Council as well as the Fiscal Officer should sign the minutes.

Implemented

The President of Council and Fiscal Officer are signing all minutes.

Audit Report

The Village Council and Officials receive a compliance and management letter at the conclusion of each annual audit. The audit for the period ended December 31, 2015 and 2014, identified two noncompliance issues.

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The noncompliance issues noted in the audit consisted of recording the activity of an Ohio Public Works Commission project in the General Fund rather than establishing a capital projects fund, not properly reporting assigned fund balance in the annual financial statements, and not certifying the availability of funds prior to the purchase commitment.

Failure to certify the availability of funds prior to purchase commitment was also addressed in the Report on Accounting Methods discussed earlier in this section. The Village is working to ensure the certification of available funds prior to all purchases.

Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions

Under Section 118.27(A)(2) of the Ohio Revised Code, the Village shall have corrected or eliminated or have planned and be in the process of good faith implementation of actions to correct and eliminate all of the fiscal emergency conditions that existed when declared in fiscal emergency and no new fiscal emergency conditions have occurred in order to be terminated from fiscal emergency. Our analysis of the six fiscal emergency conditions described in Section 118 of the Revised Code is presented below:

Condition One - Default on Any Debt Obligation

Section 118.03(A)(1) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a default on any debt obligation for more than thirty days.

A summary of the Village’s outstanding debt as of May 31, 2017, is as follows:

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Year Issued</u>	<u>Issue Amount</u>
<u>Mortgage Revenue Bonds</u>			
Sewer System Mortgage Revenue Bonds	5.625%	1993	\$545,000
Sewer System Mortgage Revenue Bonds	5.50	1993	64,000
<u>Ohio Public Works Loan</u>			
OPWC Loan CE49Q	0.00	2015	69,053

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(1) of the Revised Code. The Village had not defaulted on any of its debt obligations for more than thirty days as of May 31, 2017.

Condition Two - Payment of All Payroll

Section 118.03(A)(2) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a failure for lack of cash in the funds to make payment of all payroll to employees of the municipal corporation in the amounts and at the times required by laws, ordinances, resolutions, or agreements, which failure of payment has continued:

- a. For more than thirty days after such time for payment, or

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- b. Beyond a period of extension, or beyond the expiration of ninety days from the original time for payment, whichever first occurs, if the time for payment has been extended for more than thirty days by the written consent of at least two-thirds of the employees affected by such failure to pay, acting individually or by their duly authorized representatives.

We obtained an understanding of the payroll process through discussion with the Fiscal Officer. We obtained payroll reports and pay rate legislation. We reviewed bank statements to determine whether Village employees were paid within the time specified by Sections 118.03(A)(2)(a) and (b) of the Revised Code. We determined that adequate cash was in the bank account and fund balances to cover payroll.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(2) of the Revised Code as of May 31, 2017. All employees have been paid in amounts and at the times required by ordinance.

Condition Three - Increase in Minimum Tax Levy

Section 118.03(A)(3) of the Revised Code defines a fiscal emergency condition as:

An increase, by action of the county budget commission pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the municipal corporation for the current or next fiscal year which results in a reduction in the minimum levies for one or more other subdivisions or taxing districts.

We confirmed with the Wood County Budget Commission whether there had been an increase, pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the Village for 2017 which resulted in a reduction in the minimum levies for one or more other subdivisions or taxing districts. The confirmation received from the Wood County Budget Commission indicated that the Commission had not taken any action for tax year 2017 to increase the inside millage of the Village.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(3) of the Revised Code as of May 31, 2017.

Condition Four - Past Due Accounts Payable from the General Fund and all Funds

Section 118.03(A)(4) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which all accounts that, at the end of its preceding fiscal year, were due and payable from the general fund and that either had been due and payable at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities and including any interest and penalties thereon, less the year end balance in the general fund, exceeded one-sixth of the general fund budget for the year, or in which all accounts that, at the end of its preceding fiscal year, were due and payable from all funds of the municipal corporation and that either had been due and payable for at least thirty days as at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, less the year end balance in the general fund and in respective special funds lawfully available to pay such accounts, exceeded one-sixth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts lawfully are payable.

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We prepared a schedule of accounts payable as of December 31, 2016, for all funds that were due and payable for at least thirty days or to which a penalty had been added for failure to pay as of December 31, 2016, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities including any interest and penalties. There were no payables over thirty days past due in any fund.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(4) of the Revised Code as of December 31, 2016. There were no payables over thirty days past due.

Condition Five - Deficit Fund Balances

Section 118.03(A)(5) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of its preceding fiscal year, less the total of any year end balance in the general fund and in any special fund that may be transferred as provided in Section 5705.14 of the Revised Code to meet such deficit, exceeded one-sixth of the total of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund.

We computed the adjusted aggregate sum of all deficit funds at December 31, 2016, by subtracting all accounts payable and encumbrances from the year end cash fund balance of each fund. No further calculations were necessary because there were no deficit fund balances.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(5) of the Revised Code. There were no deficit fund balances at December 31, 2016.

Condition Six - Treasury Balances

Section 118.03(A)(6) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of the municipal corporation minus outstanding checks and warrants were less in amount than the aggregate of the positive balances of the general fund and those special funds the purposes of which the unsegregated treasury is held to meet and such deficiency exceeded one-sixth of the total amount received into the unsegregated treasury during the preceding fiscal year.

We verified the Village's reconciled bank balance to its statement of cash position by fund for all funds as of December 31, 2016, which included subtracting reconciling factors to arrive at the treasury balance. We then determined the aggregate sum of all positive fund cash balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficit. No further calculations were necessary because the treasury balance equaled the sum of all cash balances.

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Schedule I

Treasury Balance
 Ohio Revised Code Section 118.03(A)(6)
 As of December 31, 2016

	Amounts at December 31, 2016
Bank Cash Balance	
Huntington Bank - General Checking	\$866,346
Huntington Bank - Money Market	300,091
Total Bank Cash Balance	1,166,437
Less Reconciling Factors for	
Deposit in Transit	242
Outstanding Checks	(21,300)
	(21,058)
Total Treasury Balance	1,145,379
Positive Fund Balances	
General	221,573
Street Construction	233,709
State Highway	43,157
Parks and Recreation	5,831
State Permissive	18,907
Street Lighting	9,407
Sewer Operating	571,995
Enterprise Reserve	40,800
Total Positive Fund Balances	1,145,379
Treasury Deficiency	\$0

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(6) of the Revised Code as of December 31, 2016. The treasury balance less the positive fund cash balances as of December 31, 2016, did not exceed one-sixth of the treasury receipts for the year.

Section 3 - Financial Plan Objectives

We obtained a copy of the financial plan of the Village and determined whether the objectives of the plan have been met. Those objectives identified in the financial plan include the following:

- 1) Eliminate the fiscal emergency conditions which were determined by the Auditor of State, pursuant to Section 118.04 of the Revised Code;
- 2) Balance the budgets, avoid future deficits in any fund, and maintain current payments of all accounts;
- 3) Develop an effective financial accounting and reporting system; and
- 4) Prepare a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State.

All objectives of the financial plan have been met.

Section 4 - Financial Forecast

Financial forecasting is an important management tool to assist the Village in making sound financial decisions for avoiding a fiscal crisis in the future. A five-year forecast is required under Section 118.27(A)(3)(d) of the Revised Code. After examining the financial forecast, the Auditor of State rendered a nonadverse report. The financial forecast is contained in Appendix A.

DISCLAIMER

Because the preceding procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we made an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported herein.

APPENDIX A

**Village of Portage
Wood County**

Financial Forecast

For the Years Ending December 31, 2017 Through December 31, 2021

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Dave Yost • Auditor of State

Village Council
Village of Portage
110 West Walnut Street
Portage, Ohio 43451

Based upon the requirement set forth in section 118.27(A)(3)(d) of the Ohio Revised Code, the Local Government Services Section of the Auditor of State's Office has examined the accompanying forecasted statement of revenues, expenditures, and changes in fund balance of the various funds of the Village of Portage, for the five years ending December 31, 2021. This statement is presented on the budget basis of accounting used by the Village of Portage rather than on generally accepted accounting principles. The Village of Portage's management is responsible for the forecast. Our responsibility is to determine whether the Village has met the criteria that allows for the fiscal emergency to be terminated.

Based on our examination of the accompanying forecast, there is nothing in the forecast nor has anything come to our attention that indicates the fiscal emergency should not be terminated. However, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results of operations during the forecast period will vary from the forecast and the variations may be material.

This report is intended solely for the use of the Village of Portage and the Financial Planning and Supervision Commission of Portage and should not be used for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Dave Yost
Auditor of State

June 1, 2017

Village of Portage, Wood County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2014, Through 2016, Actual
and Ending December 31, 2017, Through 2021, Forecasted

General Fund

	2014 Actual	2015 Actual	2016 Actual
Revenues			
Property Taxes	\$11,850	\$12,540	\$13,510
Income Taxes	85,100	97,990	113,920
Intergovernmental	5,340	7,910	10,630
Charges for Services	520	730	590
Fines, Forfeitures, and Licenses	5,140	4,500	3,430
Interest	40	60	80
Other Revenues	260	50	2,640
Total Revenues	108,250	123,780	144,800
Expenditures			
Public Health and Welfare			
Other	290	290	280
Leisure Time Activities			
Contractual Services	180	230	230
Community Environment			
Zoning			
Personal Services	590	590	590
General Government			
Mayor			
Personal Services	2,760	2,840	5,720
Contractual Services	100	0	200
Total Mayor	2,860	2,840	5,920
Council			
Personal Services	2,540	2,600	4,110
Contractual Services	770	330	410
Total Council	3,310	2,930	4,520
Fiscal Officer			
Personal Services	7,240	9,460	9,180
Contractual Services	3,330	3,620	3,460
Supplies and Materials	690	460	110
Total Fiscal Officer	11,260	13,540	12,750

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$13,510	\$13,510	\$13,510	\$13,510	\$13,510
116,200	118,520	120,900	123,310	125,780
10,630	10,630	10,630	10,630	10,630
590	590	590	590	590
3,430	3,430	3,430	3,430	3,430
100	120	140	160	180
0	0	0	0	0
144,460	146,800	149,200	151,630	154,120
290	290	300	300	310
240	260	270	280	300
610	620	640	660	680
5,600	5,610	5,610	5,620	5,620
0	200	0	210	0
5,600	5,810	5,610	5,830	5,620
4,140	6,160	6,160	6,160	6,170
630	640	650	670	680
4,770	6,800	6,810	6,830	6,850
12,120	12,500	12,870	13,260	13,660
3,520	5,490	5,600	5,710	5,830
950	970	990	1,010	1,030
16,590	18,960	19,460	19,980	20,520

(continued)

Village of Portage, Wood County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2014, Through 2016, Actual
and Ending December 31, 2017, Through 2021, Forecasted
(continued)

General Fund

	2014 Actual	2015 Actual	2016 Actual
Expenditures (continued)			
General Government (continued)			
Land and Buildings			
Personal Services	\$630	\$650	\$650
Contractual Services	6,100	7,030	6,290
Supplies and Materials	360	770	2,220
Capital Outlay	71,690	580	3,830
Total Land and Buildings	78,780	9,030	12,990
Income Tax			
Contractual Services	840	4,290	5,110
Property Tax Collection Fees			
Contractual Services	400	140	150
Audit and Legal Fees			
Contractual Services	5,870	13,110	11,050
Total General Government	103,320	45,880	52,490
Debt Service			
Principal Retirement	0	600	1,200
Total Expenditures	104,380	47,590	54,790
Excess of Revenues Over Expenditures	3,870	76,190	90,010
Other Financing Sources (Uses)			
Ohio Public Works Commission Loan Proceeds	69,050	0	0
Transfers Out	0	0	(1,000)
Total Other Financing Sources (Uses)	69,050	0	(1,000)
Changes in Fund Balance	72,920	76,190	89,010
Fund Balance (Deficit) Beginning of Year	(16,550)	56,370	132,560
Fund Balance End of Year	\$56,370	\$132,560	\$221,570

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$670	\$690	\$710	\$730	\$750
6,480	6,680	6,890	7,100	7,320
11,470	11,500	11,530	11,560	11,590
20,000	20,000	20,000	20,000	20,000
38,620	38,870	39,130	39,390	39,660
5,270	5,420	5,590	5,760	5,920
160	160	160	170	170
2,500	11,050	2,600	11,650	2,700
73,510	87,070	79,360	89,610	81,440
1,200	1,200	1,200	1,200	1,200
75,850	89,440	81,770	92,050	83,930
68,610	57,360	67,430	59,580	70,190
0	0	0	0	0
(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
67,610	56,360	66,430	58,580	69,190
221,570	289,180	345,540	411,970	470,550
\$289,180	\$345,540	\$411,970	\$470,550	\$539,740

Village of Portage, Wood County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2014, Through 2016, Actual
and Ending December 31, 2017, Through 2021, Forecasted

Street Construction

	2014 Actual	2015 Actual	2016 Actual
Revenues			
Intergovernmental	\$61,170	\$74,160	\$80,070
Interest	10	10	20
Other Revenues	1,070	30	0
Total Revenues	62,250	74,200	80,090
Expenditures			
Street Maintenance			
Personal Services	7,870	7,210	8,730
Contractual Services	4,310	4,360	5,980
Supplies and Materials	2,740	1,920	1,360
Capital Outlay	0	0	0
Total Expenditures	14,920	13,490	16,070
Changes in Fund Balance	47,330	60,710	64,020
Fund Balance Beginning of Year	61,650	108,980	169,690
Fund Balance End of Year	\$108,980	\$169,690	\$233,710

2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted	2021 Forecasted
\$80,070	\$80,070	\$80,070	\$80,070	\$80,070
20	30	30	40	40
0	0	0	0	0
80,090	80,100	80,100	80,110	80,110
8,970	9,240	9,520	9,810	10,110
6,180	6,370	6,560	6,750	6,960
1,390	1,410	1,440	1,470	1,500
7,000	7,000	7,000	7,000	7,000
23,540	24,020	24,520	25,030	25,570
56,550	56,080	55,580	55,080	54,540
233,710	290,260	346,340	401,920	457,000
\$290,260	\$346,340	\$401,920	\$457,000	\$511,540

Village of Portage, Wood County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, Through 2021

Note 1 - The Village

The Village of Portage is located in northwestern Ohio in Wood County. The Village is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Operating as a statutory village, Portage must comply with all State laws regulating village government. The decision making process is directed by an elected Village Council and Mayor.

The Village Council is the legislative authority of the Village and consists of six members who are elected at large and serve terms of four years. The Village Council elects a President Pro Tempore to preside over Village Council meetings in the Mayor's absence. The Village Council has the authority to prescribe, by ordinance, the manner in which any power of the Village shall be exercised.

The Mayor is the chief executive officer of the Village and serves a term of four years. The Mayor supervises the administration of the Village and is the President of Village Council. The Mayor makes recommendations to Village Council and has voting rights only in the case of a tie.

Services provided by the Village include street maintenance and repair, maintenance of state highways within the Village, street lighting, park maintenance, and sewer system maintenance (all billing and collection is handled by the Northwestern Water and Sewer District).

On April 8, 2009, the Auditor of State's office declared the Village of Portage to be in a state of fiscal emergency in accordance with Section 118.03, Ohio Revised Code. The declaration resulted in the establishment of a Financial Planning and Supervision Commission. The Commission is comprised of the Mayor of the Village, Council President, three individuals whose residency or principal place of business is within the Village, and a designee from both the State Treasurer's Office and the Office of Budget and Management. The Village has 120 days after the first meeting of the Commission to approve a financial recovery plan. Once the plan has been adopted, the Village's discretion is limited in that all financial activity of the Village must be in accordance with the plan.

Note 2 - Nature of Presentation

This financial forecast presents, to the best of the Village's knowledge and belief, the expected revenues, expenditures, and changes in fund balances for the forecast period. Accordingly, the forecast reflects the Village's judgment, as of December 31, 2016, the date of the forecast, the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The forecast presents the funds that are significant to the operations of the Village. For the Village of Portage, this consists of the General Fund and Street Construction Fund.

Village of Portage, Wood County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 3 - Summary of Significant Accounting Policies

A. Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts, disbursements, and encumbrances, which is consistent with the budget basis of accounting (non-GAAP) used to prepare the historical financial statements. Under this basis of accounting, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred. However, by virtue of Ohio law, the Village is required to maintain the encumbrance method of accounting. This method requires purchase orders, contracts, and other commitments for the expenditure of monies to be recorded as the equivalent of an expenditure in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

B. Fund Accounting

The Village maintains its accounting records in accordance with the principles of “fund” accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the segregation of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

General Fund - The General Fund is the operating fund of the Village and is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is disbursed or transferred in accordance with Ohio law.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to disbursement for specified purposes, other than for debt service or capital projects.

Proprietary Funds

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of the budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Village of Portage, Wood County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 3 - Summary of Significant Accounting Policies (continued)

Estimated Resources - On or about September 1, the County Budget Commission issues an official certificate of estimated resources to the Village which states the projected receipts of each fund. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. Prior to December 31, the Village must revise its budget so that total contemplated expenditures from any funds during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations - A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year if the annual appropriations for the full year are not ready for approval by Village Council. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire year. By March 31, an annual appropriation ordinance must be legally enacted by the Village Council. The appropriation measure may be amended or supplemented during the year as new information becomes available.

Encumbrances - The Village uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation.

D. Property, Plant and Equipment

Capital assets acquired or constructed for general governmental services are recorded as expenditures. Depreciation is not recorded for these capital assets as the purpose of the financial statements for the governmental services is to report the expenditure of resources, not costs.

Note 4 - General Revenue Assumptions - All Funds

A. Property Taxes

Property tax revenues consist of real property and public utility real and personal property. The Village may request advances from the Wood County Auditor as the taxes are collected. When final settlements are made, any amounts remaining to be distributed to the Village are paid. Deductions for auditor and treasurer fees, advertising delinquent taxes, election expenses, and other fees are made at these settlement times. The amounts shown in the revenue section of the forecast represent gross property tax revenues.

State law allows for certain reductions in the form of rollbacks and homestead exemptions for residential real estate taxes. The State reimburses the Village for all revenue lost due to these exemptions. The amount of the reimbursement is presented in the account "intergovernmental revenue".

All property tax revenues are based on property valuations and levy rates. The County is required to reappraise property every six years and update the valuations every three years between the reappraisals. The last reappraisal was completed in 2011 for taxes collected in 2012, and the triennial update took place in 2014 for taxes collected in 2015 with the next reappraisal scheduled for 2017.

Village of Portage, Wood County
 Summary of Significant Accounting Policies and Forecast Assumptions
 For the Years Ending December 31, 2017, through 2021

Note 4 - General Revenue Assumptions - All Funds (continued)

The Village's assessed values upon which property tax receipts were based for the last four years are as follows:

Class of Property	Collection Year			
	2013	2014	2015	2016
Real Property				
Residential and Agriculture	\$4,928,810	\$4,961,760	\$5,303,430	\$5,301,240
Commercial and Industrial	1,039,900	1,160,130	1,294,010	1,428,490
Public Utility Property				
Personal	17,790	18,870	18,650	15,180
Total Assessed Value	<u>\$5,986,500</u>	<u>\$6,140,760</u>	<u>\$6,616,090</u>	<u>\$6,744,910</u>

Property tax revenues are generated from the inside millage and received into the General Fund.

The levies being collected by fund, the year approved, and the full tax rate are as follows:

Levy Type	Fund	Original Year Approved	Latest Year Renewed	First Year of Collection	Last Year of Collection	Total Rate (Per \$1,000 of Assessed Valuation)
Inside Millage	General	n/a	n/a	n/a	n/a	\$2.20

Public utility real taxes are collected and settled by the County with real estate taxes and are recorded as general property taxes. Beginning in 2001, the Ohio General Assembly reduced the assessment rate for certain tangible personal property of electric and gas utilities from 88 percent to 25 percent. Starting in tax year 2005, the assessment rate for personal property owned by telephone utilities prior to 1995 was being phased down from 88 percent to 25 percent (in tax year 2007) over a three-year period. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out of the tangible personal property tax on local and inter-exchange telephone companies.

Real Property - No change in real property taxes is expected over the five-year forecasted period as there is no growth anticipated in the Village.

B. Municipal Income Taxes

The Village levies a municipal income tax of 1 percent on all income earned within the Village as well as on income of residents earned outside the Village. The Village does not allow for a credit for income taxes paid to another municipality. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a final return annually.

All income tax revenue is credited to the General Fund and used to pay the cost of administering the tax and for general governmental operations. The forecast reflects income tax revenues to increase approximately 2 percent each year, from the 2016 amount, based on an increase in business and individual earnings. Due to geographic limitations, no growth is expected in the Village.

Village of Portage, Wood County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 4 - General Revenue Assumptions - All Funds (continued)

C. Intergovernmental Revenues

Intergovernmental revenues include local government monies and property tax allocations for rollback and homestead. The local government funds are distributed monthly by the State to the Village and by the County Auditor to the Village. The property tax allocations for rollback and homestead are received from the State and are based on information provided by the County Auditor.

State law grants tax relief in the form of a 10 percent reduction in residential real property tax bills. In addition, a 2.5 percent rollback is granted on residential property taxes. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. The State reimburses the Village for the loss of real property taxes caused by the homestead and rollback tax relief programs. Homestead and rollback receipts have been forecasted to remain flat to remain consistent with the forecasted property tax revenues. There is also no change expected in the amount of local government monies received from the State.

Note 5 - Specific Fund Revenue Assumptions

A. General Fund

Property and Other Local Taxes - Real property taxes are forecasted conservatively to reflect the amounts received during 2016. The property values are expected to remain largely the same through 2021.

Municipal Income Taxes - Income taxes have steadily increased over the past three years. Income tax revenues are expected to increase approximately 2 percent each year based on an increase in business and individual earnings.

Intergovernmental - Intergovernmental revenues related to homestead and rollback are expected to remain largely the same through 2021, consistent with property tax revenue projection. The amount projected for local government assistance from the State is expected to remain similar to the amount received in 2016.

Charges for Services - Charges for services consists of rental of the Village hall. This amount has been forecasted to remain consistent throughout the forecast period.

Fines, Forfeitures, and Licenses - Fines, forfeitures, and licenses receipts represent fines and forfeitures, cable franchise fees, and other miscellaneous fees and permits. Amounts collected for the various fines and permits have been forecasted to remain consistent throughout the forecast period.

Interest - Interest receipts are very modest due to low interest rates.

B. Street Construction Fund

Intergovernmental - Intergovernmental revenue consists of motor vehicle license tax and gasoline tax distributions. Forecasted receipts are anticipated to remain consistent with amounts received during 2016.

Village of Portage, Wood County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 5 - Specific Fund Revenue Assumptions (continued)

Interest - Interest receipts are very modest due to low interest rates.

Note 6 - General Expenditure Assumptions - All Funds

A. Personal Services

Personal services include the salaries paid to the employees of the Village and the elected Mayor and Village Council. The Village's employees, the Mayor, and Village Council are paid monthly. Personal services also include all salary related costs such as pension contributions, Medicare, and workers' compensation.

The Village Council consists of six members with an annual salary of \$450 or \$900. Effective January 1, 2018, four Village Council members salary increased from \$450 to \$900. Village Council is paid from the General Fund.

The Mayor's annual salary is \$4,800 and is paid from the General Fund.

A three percent increase in salaries is expected throughout the forecast period for all employees, which consists of the fiscal officer and other part-time employees. In addition, an additional part-time employee was hired in the fiscal officer department in 2017.

Benefits include employer contributions to the State pension system, workers' compensation, social security, and Medicare. The Village does not provide any other benefits.

Village employees participate in Ohio Public Employees Retirement System (OPERS). OPERS provide basic retirement, disability, and death benefits to plan members and beneficiaries. OPERS benefits are established by Chapter 145 of the Ohio Revised Code. Employees are required to contribute 10 percent of their annual salary and the Village is required to contribute 14 percent of their annual salary. Several council members pay into Social Security.

All elected officials and Village employees are required to pay into Medicare. The Medicare contribution is 1.45 percent of their annual salary.

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. A slight increase is expected annually.

B. Contractual Services

Contractual services include property and liability insurance, utility charges (telephone, electric, water and sewer, and natural gas), postage, advertising, professional dues, UAN fees, legal fees, auditor and treasurer fees, and accounting and auditing services.

For 2017 through 2021, property and liability insurance is anticipated to increase approximately three percent annually based upon historical trend.

Utility costs for 2017 are based on a historical average with an allowance for modest increases annually throughout the forecast period.

Village of Portage, Wood County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 6 - General Expenditure Assumptions - All Funds (continued)

Contractual services for the fiscal officer will increase beginning in 2018. The Village did not pay UAN fees while in fiscal emergency. They will resume paying UAN fees in 2018.

Contractual services in audit and legal fees fluctuate over the forecast period due to the Village being audited every other year.

C. Supplies and Materials

Supplies and materials expenditures include office supplies, operating supplies (salt and gasoline), and repair and maintenance costs. Supplies and materials are anticipated to increase approximately two percent per year based upon historical trends. However, in the lands and buildings department, materials and supplies are expected to increase from historical costs due to repairs and maintenance to the Village Hall.

D. Capital Outlay

The General Fund has forecasted \$20,000 in each year of the forecasted period for capital repairs of the Village Hall.

The Street Construction Fund has forecasted \$7,000 in each year of the forecasted period for repair and replacement of one catch basin annually.

E. Debt Service

The original issue date, interest rate, original issue amount, and maturity date for the Village's General Fund long-term obligation as of December 31, 2016, were as follows:

	Original Issue Date	Interest Rate	Original Issue Amount	Maturity Date
OPWC Loan CE49Q	7/1/2015	0.00%	\$69,053	1/1/2045

OPWC Loan - The Village obtained an interest free loan from the Ohio Public Works Commission for catch basin improvements on Dixie Highway. The loan will be repaid from revenues of the General Fund.

Village of Portage, Wood County
 Summary of Significant Accounting Policies and Forecast Assumptions
 For the Years Ending December 31, 2017, through 2021

Note 6 - General Expenditure Assumptions - All Funds (continued)

Principal and interest requirements to retire the Village's debt are:

Year	OPWC Loan Principal
2017	\$1,197
2018	1,197
2019	1,197
2020	1,197
2021	1,197
2022-2026	5,985
2027-2031	5,985
2032-2036	5,985
2037-2041	5,985
2042-2045	4,189
	<u>\$34,114</u>

Note 7 - Transfers

The Village expects to transfer \$1,000 in each year of the forecast from the General Fund to the Parks and Recreation Fund.

Note 8 - Other Funds

The Village has several other funds that account for resources that are restricted for specific purposes. These funds are anticipated to have sufficient resources to meet their obligations during the forecasted period.

Note 9 - Pending Litigation

The Village currently has no pending litigation.

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Dave Yost • Auditor of State

VILLAGE OF PORTAGE

WOOD 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
OCTOBER 2, 2017