



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2018 and 2017  
Fiscal Years Audited Under GAGAS: 2018 and 2017





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Village Council  
Village of Williamsport  
300 Ballard Ave, PO Box 1  
Williamsport, Ohio 43164

We have reviewed the *Independent Auditor's Report* of the Village of Williamsport, Pickaway County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2017 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

#### **FINDING FOR RECOVERY PARTIALLY REPAID UNDER AUDIT**

As Village Utility Clerk, Cynthia Barnhill was responsible for collecting monthly utility payments and new renter deposits, issuing carbon copy receipts, and depositing funds into the Village bank account. Ms. Barnhill was also responsible for posting payments to customer accounts.

During the period January 2012 through October 2015, applications for 21 new renter accounts indicated Ms. Barnhill collected \$5,460 for initial sewer, water, and gas utility deposits. Per Village personnel, a total of \$6,200 should have been collected based upon the utilities at the renters' addresses. Ms. Barnhill only deposited \$1,156 for a shortage of \$5,044.

In addition, Ms. Barnhill recorded 24 payments to her personal account in the Village utility system but there were no deposits of funds matching these payments. The total amount of recorded payments by Ms. Barnhill without a matching deposit was \$1,743.

On November 2, 2018, Ms. Barnhill was indicted on two counts of Theft in Office, felonies of the fourth degree, and one count of Tampering with Records, a felony of the third degree, in Pickaway County Court of Common Pleas Case No. 2018-CR-210.

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On December 14, 2018, Ms. Barnhill entered a plea of guilty to one count of Theft in Office before the Honorable Randall P. Knece in the above cited case. Judge Knece entered a finding of guilty against Ms. Barnhill as a result of her guilty plea.

On February 6, 2019, at sentencing for conviction, Judge Knece entered an Order of restitution in the amount of \$6,787 against Ms. Barnhill and in favor of the Village of Williamsport.

In accordance with the foregoing court Order and pursuant to Ohio Rev. Code 117.28, a finding for recovery for public monies converted or misappropriated totaling \$6,787 is hereby issued against Cynthia Barnhill, and her bonding company, the Cincinnati Insurance Company, jointly and severally, in favor of the Village of Williamsport, to be allocated between the Water, Sewer, and Gas Deposit funds as well as the Water, Sewer, and Gas Operating funds.

As of the date of this report, the Village has received five \$100 restitution payments issued by the Pickaway County Court of Common Pleas Adult Probation Department. Accordingly, we considered these partial repayments of the finding and a balance of \$6,287 remains unpaid.

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



Keith Faber  
Auditor of State  
Columbus, Ohio

July 29, 2019

**VILLAGE OF WILLIAMSPORT**  
**PICKAWAY COUNTY**  
*Basic Financial Statements*  
For the Fiscal Years Ended December 31, 2018 and 2017  
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**INDEPENDENT AUDITOR'S REPORT**

Village of Williamsport  
Pickaway County  
300 Ballard Avenue  
P.O. Box 1  
Williamsport, Ohio 43164

To the Village Council:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Williamsport, Pickaway County, Ohio (the Village) as of and for the years ended December 31, 2018 and 2017.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2018 and 2017, and the respective changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Williamsport, Pickaway County as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2019, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



BHM CPA Group, Inc.  
Piketon, Ohio  
March 22, 2019



**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Taxes	\$ 33,633	\$ 32,672	\$ -	\$ 66,305
Municipal Income Tax	28,733	-	-	28,733
Intergovernmental	49,060	48,058	31,728	128,846
Special Assessments	3,011	-	-	3,011
Charges for Services	217	-	-	217
Fines, Licenses, and Permits	262	-	-	262
Earnings on Investments	3,101	848	-	3,949
Miscellaneous	1,559	489	-	2,048
<b>Total Cash Receipts</b>	<u>119,576</u>	<u>82,067</u>	<u>31,728</u>	<u>233,371</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	2,616	43,212	-	45,828
Public Health Services	2,474	-	-	2,474
Leisure Time Activities	20,069	-	-	20,069
Community Environment	424	-	-	424
Basic Utility Services	7,646	-	-	7,646
Transportation	-	11,841	-	11,841
General Government	27,905	-	-	27,905
Capital Outlay	1,366	7,861	39,331	48,558
Debt Service:				
Redemption of Principal	-	1,974	-	1,974
<b>Total Cash Disbursements</b>	<u>62,500</u>	<u>64,888</u>	<u>39,331</u>	<u>166,719</u>
Excess of Receipts Over/(Under) Disbursements	57,076	17,179	(7,603)	66,652
<b>Other Financing Receipts (Disbursements):</b>				
Transfers-In	-	-	7,603	7,603
Transfers-Out	-	(3,635)	-	(3,635)
Advances-In	50,000	-	-	50,000
Advances-Out	(50,000)	-	-	(50,000)
<b>Total Other Financing Receipts (Disbursements)</b>	<u>-</u>	<u>(3,635)</u>	<u>7,603</u>	<u>3,968</u>
Net Change in Fund Cash Balances	57,076	13,544	-	70,620
Fund Cash Balances, January 1	74,341	215,171	-	289,512
<b>Fund Cash Balances, December 31</b>				
Restricted	-	228,715	-	228,715
Unassigned (Deficit)	131,417	-	-	131,417
<b>Fund Cash Balances, December 31</b>	<u>\$ 131,417</u>	<u>\$ 228,715</u>	<u>\$ -</u>	<u>\$ 360,132</u>

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

**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Proprietary Fund Types</u>
	<u>Enterprise</u>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 651,471
Total Operating Cash Receipts	651,471
<b>Operating Cash Disbursements:</b>	
Personal Services	53,609
Employee Fringe Benefits	11,109
Contractual Services	297,425
Supplies and Materials	37,735
Other	5,776
Total Operating Cash Disbursements	405,654
Operating Income (Loss)	245,817
<b>Non-Operating Receipts (Disbursements)</b>	
Miscellaneous Receipts	4,622
Special Assessments	1,267
Capital Outlay	(135,549)
Principal Retirement	(106,742)
Interest and Fiscal Charges	(23,582)
Total Non-Operating Cash Receipts (Disbursements)	(259,984)
Income (Loss) before Transfers	(14,167)
Advances In	50,000
Advances Out	(50,000)
Transfers In	59,472
Transfers Out	(63,440)
Net Change in Fund Cash Balances	(18,135)
Fund Cash Balances, January 1	503,480
Fund Cash Balances, December 31	\$ 485,345

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

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 1 - Reporting Entity**

The Village of Williamsport, Pickaway County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides gas, water and sewer utilities and park operations. The Village contracts with the Pickaway County Sheriff's department to provide security of persons and property. The Village contracts with the Williamsport/Deercreek Emergency Squad for emergency services and the Southwest Fire District for fire protection services. Village voters approved a 2.5 mill levy in 2017 to fund emergency services through the year 2021. The Village appropriates EMT Fund money to support a volunteer EMS department.

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

***Jointly Governed Organizations***

The Village participates in a jointly governed organization. Note 11 to the financial statement provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Street Construction Maintenance and Repair*** - The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***EMT Fund***- The EMT Fund receives monies from four voted levies for the operation and maintenance of the Williamsport/Deercreek Emergency Squad.

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Capital Project Funds** The funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

**OPWC Street Paving Fund-** The OPWC Street Paving Fund receives revenue distributions from the Ohio Public Works Commission for the construction and upgrading of Village streets.

**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-** The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Sewer Fund-** The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

**Gas Fund-** The gas fund accounts for the provision of natural gas to the residents and commercial users within the Village.

***Basis of Accounting***

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

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

***Budgetary Process***

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

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund or object 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.

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**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 re-appropriated.

A summary of 2018 budgetary activity appears in Note 3.

**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.

**Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**Fund Balance**

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

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

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

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

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

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

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$96,472	\$119,576	\$23,104
Special Revenue	83,325	82,067	(1,258)
Capital Projects	39,331	39,331	0
Enterprise	785,983	716,832	(69,151)
Total	\$1,005,111	\$957,806	(\$47,305)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$94,408	\$62,500	\$31,908
Special Revenue	128,299	68,523	59,776
Capital Projects	39,331	39,331	0
Enterprise	1,043,325	734,967	308,358
Total	\$1,305,363	\$905,321	\$400,042

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 4 – Deposits and Investments**

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

	<u>2018</u>
Demand deposits	<u>\$ 845,477</u>
Total Deposits	<u>\$ 845,477</u>

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

The Village's deposits are collateralized by the financial institution's public entity deposit pool. The financial institution is in the process of joining OPCS; however, at December 31, 2018, the financial institution still maintained its own collateral pool.

**Note 5 – Taxes**

***Property Taxes***

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

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

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

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 6 - Risk Management**

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

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Five 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

***Social Security***

Several Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

**Note 8 - Postemployment Benefits**

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2018.



**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 9 – Debt**

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
OPWC CQ27H	\$13,126	0.00%
OPWC CQ24K	1,704	0.00%
OPWC CQ49R	4,194	0.00%
OPWC CQ15S	46,523	0.00%
OPWC CQ44U	5,144	0.00%
OWDA Loan 2136	40,301	5.66%
OWDA Loan 2135	440,272	6.11%
Total	\$551,264	

- In fiscal year 1998, the Village was awarded a United States Department of Agriculture (USDA) loan for improvements to the sewer system. Debt payments are paid from Enterprise Funds.
- In fiscal year 2002, the Village was awarded the OWDA loan 2136 for sewer system improvements and the OWDA Loan 2135 for water system improvements. Debt payments are paid from Enterprise Funds.
- In fiscal year 2005, the Village was awarded an OPWC Loan CQ27H for the improvement of the sewer system sand bed. Debt payments are paid from Enterprise Funds.
- In fiscal year 2008, the Village was awarded OPWC Loan CQ24K for the Main Street Phase 3 street improvements. Debt payments are paid from street construction and general operating funds.
- In fiscal year 2015, the Village was awarded OPWC Loan CQ46R for the Water Meter Improvement project. Debt payments are paid from Enterprise Funds.
- In fiscal year 2016, the Village was awarded OPWC Loan CQ15S for the WWTP upgrades and OPWC Loan CQ25T for the Main Street Improvement CQ25T. Debt payments are paid from enterprise funds and street construction and general operating funds respectively. OPWC Loan CQ25T Funds did not end up being used by the Village and no disbursement of those funds was made to the Village.
- In fiscal year 2017, the Village was awarded OPWC Loan CQ44U for the Main Street Resurfacing project.

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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***Amortization***

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

Year Ending December 31:	OPWC Loans	OWDA Loans
2019	8,026	\$102,982
2020	8,026	104,723
2021	8,026	106,570
2022	8,026	108,529
2023	8,026	110,608
2024-2028	27,102	8,108
2029-2033	9,542	0
2034-2038	8,801	0
2039-2043	8,308	0
2044-2048	4,985	0
Total	\$98,868	\$541,520

**Note 10 – Contingent Liabilities**

The Village is a defendant in a current lawsuit. Although management cannot presently determine the outcome of this suit, management believes that the resolution of this matter will not materially adversely affect the Village’s financial condition.

**Note 11 – Jointly Governed Organization**

Southwest Fire District is a jointly governed organization that provides fire services to the Village. The District is governed by a three-member board: one representative from the Village of Williamsport, one representative from the Board of Trustees of Deercreek Township, and one at-large resident from either the Village of Williamsport or Deercreek Township. The Village does not have an ongoing financial interest in or an ongoing financial responsibility for the District. During 2015, the Village did not make any contributions to the District. Complete financial statements can be obtained from the Southwest Fire District, PO Box 363, Williamsport, Ohio 43164.

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**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Taxes	\$ 31,324	\$ 32,000	\$ -	\$ 63,324
Intergovernmental	27,298	47,482	108,290	183,070
Special Assessments	800	-	-	800
Charges for Services	200	-	-	200
Fines, Licenses, and Permits	287	-	-	287
Earnings on Investments	3,174	795	-	3,969
Miscellaneous	2,502	3,146	-	5,648
	<u>65,585</u>	<u>83,423</u>	<u>108,290</u>	<u>257,298</u>
<b>Total Cash Receipts</b>				
	<u>65,585</u>	<u>83,423</u>	<u>108,290</u>	<u>257,298</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	2,973	39,895	-	42,868
Public Health Services	1,754	-	-	1,754
Leisure Time Activities	24,553	-	-	24,553
Community Environment	421	-	-	421
Transportation	-	14,952	-	14,952
General Government	29,152	-	-	29,152
Capital Outlay	17,644	27,249	113,990	158,883
Debt Service:				
Redemption of Principal	-	3,407	-	3,407
	<u>76,497</u>	<u>85,503</u>	<u>113,990</u>	<u>275,990</u>
<b>Total Cash Disbursements</b>				
	<u>76,497</u>	<u>85,503</u>	<u>113,990</u>	<u>275,990</u>
Excess of Receipts Over/(Under) Disbursements	(10,912)	(2,080)	(5,700)	(18,692)
<b>Other Financing Receipts (Disbursements):</b>				
Other Debt Proceeds	-	5,414	-	5,414
Transfers-In	-	-	5,700	5,700
Transfers-Out	-	(5,700)	-	(5,700)
	<u>-</u>	<u>(286)</u>	<u>5,700</u>	<u>5,414</u>
<b>Total Other Financing Receipts (Disbursements)</b>				
	<u>-</u>	<u>(286)</u>	<u>5,700</u>	<u>5,414</u>
Net Change in Fund Cash Balances	(10,912)	(2,366)	-	(13,278)
Fund Cash Balances, January 1	85,253	217,537	-	302,790
	<u>85,253</u>	<u>217,537</u>	<u>-</u>	<u>302,790</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	215,171	-	215,171
Unassigned (Deficit)	74,341	-	-	74,341
	<u>74,341</u>	<u>-</u>	<u>-</u>	<u>74,341</u>
<b>Fund Cash Balances, December 31</b>				
	<u>\$ 74,341</u>	<u>\$ 215,171</u>	<u>\$ -</u>	<u>\$ 289,512</u>

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

**VILLAGE OF WILLIAMSPORT  
PICKAWAY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Proprietary Fund Types</u>
	<u>Enterprise</u>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 588,871
Total Operating Cash Receipts	588,871
<b>Operating Cash Disbursements:</b>	
Personal Services	54,788
Employee Fringe Benefits	10,029
Contractual Services	339,518
Supplies and Materials	33,608
Other	6,234
Total Operating Cash Disbursements	444,177
Operating Income (Loss)	144,694
<b>Non-Operating Receipts (Disbursements)</b>	
Miscellaneous Receipts	13,057
Capital Outlay	(119,490)
Principal Retirement	(106,419)
Interest and Fiscal Charges	(27,758)
Total Non-Operating Cash Receipts (Disbursements)	(240,610)
Income (Loss) before Transfers	(95,916)
Transfers In	92,533
Transfers Out	(92,533)
Net Change in Fund Cash Balances	(95,916)
Fund Cash Balances, January 1	599,396
Fund Cash Balances, December 31	\$ 503,480

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

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 1 - Reporting Entity**

The Village of Williamsport, Pickaway County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides gas, water and sewer utilities and park operations. The Village contracts with the Pickaway County Sheriff's department to provide security of persons and property. The Village contracts with the Williamsport/Deercreek Emergency Squad for emergency services and the Southwest Fire District for fire protection services. Village voters approved a 2.5 mill levy in 2017 to fund emergency services through the year 2021. The Village appropriates EMT Fund money to support a volunteer EMS department

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

***Jointly Governed Organizations***

The Village participates in a jointly governed organization. Note 11 to the financial statement provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Street Construction Maintenance and Repair*** - The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***EMT Fund***- The EMT Fund receives monies from four voted levies for the operation and maintenance of the Williamsport/Deercreek Emergency Squad.

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Capital Project Funds** The funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

**OPWC Street Paving Fund-** The OPWC Street Paving Fund receives revenue distributions from the Ohio Public Works Commission for the construction and upgrading of Village streets.

**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-** The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Sewer Fund-** The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

**Gas Fund-** The gas fund accounts for the provision of natural gas to the residents and commercial users within the Village.

***Basis of Accounting***

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

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

***Budgetary Process***

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

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund or object 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.

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**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 re-appropriated.

A summary of 2017 budgetary activity appears in Note 3.

**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.

**Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**Fund Balance**

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

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

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

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

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

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



**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$67,142	\$65,585	(\$1,557)
Special Revenue	85,601	88,837	3,236
Capital Projects	113,990	113,990	0
Enterprise	779,133	694,461	(84,672)
Total	\$1,045,866	\$962,873	(\$82,993)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$111,776	\$76,497	\$35,279
Special Revenue	146,607	91,203	55,404
Capital Projects	113,990	113,990	0
Enterprise	1,157,008	790,377	366,631
Total	\$1,529,381	\$1,072,067	\$457,314

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 4 – Deposits and Investments**

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

	<u>2017</u>
Demand deposits	<u>\$ 792,992</u>
Total Deposits	<u>\$ 792,992</u>

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

The Village's deposits are collateralized by the financial institution's public entity deposit pool. The financial institution is in the process of joining OPCS; however, at December 31, 2017, the financial institution still maintained its own collateral pool.

**Note 5 – Taxes**

***Property Taxes***

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

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

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

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 6 - Risk Management**

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

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Five 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

***Social Security***

Several Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

**Note 8 - Postemployment Benefits**

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017.

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 9 – Debt**

Debt outstanding at December 31, 2017 was as follows:

	Principal	Interest Rate
USDA Farmer Home Loan	\$24,000	5.00%
OPWC CQ27H	15,001	0.00%
OPWC CQ24K	3,408	0.00%
OPWC CQ49R	4,441	0.00%
OPWC CQ15S	48,185	0.00%
OPWC CQ44U	5,414	0.00%
OWDA Loan 2136	45,816	5.66%
OWDA Loan 2135	513,716	6.11%
Total	\$659,981	

- In fiscal year 1998, the Village was awarded a United States Department of Agriculture (USDA) loan for improvements to the sewer system. Debt payments are paid from Enterprise Funds.
- In fiscal year 2002, the Village was awarded the OWDA loan 2136 for sewer system improvements and the OWDA Loan 2135 for water system improvements. Debt payments are paid from Enterprise Funds.
- In fiscal year 2005, the Village was awarded an OPWC Loan CQ27H for the improvement of the sewer system sand bed. Debt payments are paid from Enterprise Funds.
- In fiscal year 2008, the Village was awarded OPWC Loan CQ24K for the Main Street Phase 3 street improvements. Debt payments are paid from street construction and general operating funds.
- In fiscal year 2015, the Village was awarded OPWC Loan CQ46R for the Water Meter Improvement project. Debt payments are paid from Enterprise Funds.
- In fiscal year 2016, the Village was awarded OPWC Loan CQ15S for the WWTP upgrades and OPWC Loan CQ25T for the Main Street Improvement CQ25T. Debt payments are paid from enterprise funds and street construction and general operating funds respectively. OPWC Loan CQ25T Funds did not end up being used by the Village and no disbursement of those funds was made to the Village.
- In fiscal year 2017, the Village was awarded OPWC Loan CQ44U for the Main Street Resurfacing project.

**Village of Williamsport, Ohio**  
*Pickaway County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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***Amortization***

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

Year Ending December 31:	USDA Loan	OPWC Loans	OWDA Loans
2018	\$25,200	\$11,162	\$101,340
2019	0	8,026	102,982
2020	0	8,026	104,723
2021	0	8,026	106,570
2022	0	8,026	108,529
2023-2027	0	32,677	118,716
2028-2032	0	10,084	0
2033-2037	0	9,048	0
2038-2042	0	8,308	0
2043-2047	0	6,646	0
Total	<u>\$25,200</u>	<u>\$110,029</u>	<u>\$642,860</u>

**Note 10 – Contingent Liabilities**

The Village is a defendant in a current lawsuit. Although management cannot presently determine the outcome of this suit, management believes that the resolution of this matter will not materially adversely affect the Village's financial condition.

**Note 11 – Jointly Governed Organization**

Southwest Fire District is a jointly governed organization that provides fire services to the Village. The District is governed by a three-member board: one representative from the Village of Williamsport, one representative from the Board of Trustees of Deercreek Township, and one at-large resident from either the Village of Williamsport or Deercreek Township. The Village does not have an ongoing financial interest in or an ongoing financial responsibility for the District. During 2015, the Village did not make any contributions to the District. Complete financial statements can be obtained from the Southwest Fire District, PO Box 363, Williamsport, Ohio 43164.



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

Village of Williamsport  
Pickaway County  
300 Ballard Avenue  
P.O. Box 1  
Williamsport, Ohio 43164

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Williamsport, Pickaway County, (the Village) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated March 22, 2019 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

**Compliance and Other Matters**

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2018-001.

**Village's Response to Findings**

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Village's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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



BHM CPA Group, Inc.  
Piketon, Ohio  
March 22, 2019

**Village of Williamsport  
Pickaway County  
Schedule of Findings  
December 31, 2018 and 2017**

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**1. SUMMARY OF AUDITOR'S RESULTS**

**FINDING NUMBER 2018-001**

**OPWC Issue II Funds - Noncompliance and Material Weakness**

Ohio Rev. Code § 5705.09(F) requires that a subdivision establish a special fund for each class of revenue derived from a source, other than general property tax, which the law requires to be used for a particular purpose. Ohio Public Works Commission (OPWC) Notification of Project Approval requires the following accounting methods specified in AOS Bulletin 2002-004. This accounting requirement is considered to be part of the terms and conditions of participation in OPWC programs Auditor of State Bulletin 2002-004 clarifies the application of Ohio Revised Code § 5705.09 to OPWC projects, and notes that the Village's Council Members should establish, by resolution a separate Capital Projects fund to account for each Issue II project funded from the OPWC. Additionally, Ohio Rev. Code § 5705.42 provides that when the United States government or the state or any department, division, agency, authority, or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, or enters into an agreement with the subdivision for making of any such grant or loan of money, the amount thereof is deemed appropriated for such purpose by the taxing authority of the subdivision as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection within the meaning of section 5705.41 of the Revised Code.

Government Accounting Standards Board Statement 54 paragraph 33 states:

*Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.*

In addition, Auditor of State's Audit Bulletin 2000-008 provides guidance to cash basis entities for the accounting treatment of on behalf transactions; The Audit Bulletin states:

*When a local government enters into an on-behalf-of program agreement with another local government or the State, whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.*

The Village of Williamsport did not establish the required Capital Projects (OPWC) Fund in accordance with Ohio Rev. Code § 5709.09(F) and the Village did not record the related revenues and expenditures of \$39,331 and \$113,990 for the years ended December 31, 2018 and 2017, respectively.

The Village's Issue II monies went directly from OPWC to the appropriate contractor, as is common procedure with Issue II funding, and the Village did not record these monies coming into the Village or being expended to the contractor and failed to record the appropriations within its accounting records as required. Consequently, the Village violated Ohio Rev. Code § 5705.42 when it failed to properly account for these monies. The financial statements and footnotes include the proper adjustments to reflect the Issue II project within the Capital Projects Fund.



**Village of Williamsport  
Pickaway County  
Schedule of Findings  
December 31, 2018 and 2017**

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**FINDING NUMBER 2018-001 (Continued)**

**OPWC Issue II Funds - Noncompliance and Material Weakness (Continued)**

We recommend the Village establish a separate Capital Projects Fund for each Issue II project in order to account for the related receipts and disbursements to the extent the local government has received benefit from each project and budget for these monies accordingly.

**Official's Response:** An OPWC Capital Projects Fund has been created in 2019. All OPWC monies were entered into the system but the wrong fund type was used.

**Village of Williamsport  
Pickaway County  
Schedule of Prior Audit Findings  
December 31, 2018 and 2017**

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<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2016-001	Financial Statement Presentation – Material Weakness	Yes	
2016-002	OPWC Issue II Funds – Noncompliance and Material Weakness	No	Reissued as Finding 2018-001
2016-003	Allocation of Revenues - Noncompliance and Material Weakness	Yes	
2016-004	Expenditures Exceeding Appropriations - Noncompliance	Yes	

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF WILLIAMSPORT**

**PICKAWAY 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  
AUGUST 8, 2019**