

***VILLAGE OF CAREY***

**WYANDOT COUNTY, OHIO**

**REGULAR AUDIT**

**For the Years Ended December 31, 2023 and 2022**







65 East State Street  
Columbus, Ohio 43215  
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Village Council  
Village of Carey  
127 North Vance Street  
Carey, Ohio 43316

We have reviewed the *Independent Auditor's Report* of the Village of Carey, Wyandot County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

**July 31, 2024**

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**VILLAGE OF CAREY  
 WYANDOT COUNTY  
 DECEMBER 31, 2023 AND 2022**

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**INDEPENDENT AUDITOR'S REPORT**

Village of Carey  
Wyandot County  
127 North Vance Street  
Carey, Ohio 43316

To the Village Council:

***Report on the Audit of the Financial Statements***

***Opinions***

We have audited the cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Carey, Wyandot County, Ohio (the Village), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2023 and 2022, and the respective changes in cash-basis financial position thereof and the budgetary comparison for the General for the years then ended in accordance with the cash-basis of accounting described in Note 2.

***Basis for Opinions***

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

***Emphasis of Matter - Accounting Basis***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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



***Other Information***

We applied no procedures to management's discussion & analysis. Accordingly, we express no opinion or any other assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***

June 26, 2024

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*

*(UNAUDITED)*

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This discussion and analysis of the Village of Carey's (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2023, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

***Financial Highlights***

Key highlights for 2023 are as follows:

- In total, net position decreased \$693,057. Net position of governmental activities increased \$388,074, which represents a 2.73 percent increase from 2022. Net position of business-type activities decreased \$1,081,131 or a 10.22 percent decrease from 2022.
- The Village's general receipts accounted for \$7,455,426 or 22.1 percent of all receipts. Program specific receipts in the form of charges of services and sales and operating grants and contributions and interest accounted for \$11,198,055 or 77.9 percent of total receipts of \$18,653,481.
- Total program disbursements were \$19,346,538; \$2,758,682 in governmental activities and \$16,587,856 in business-type activities.
- Outstanding debt decreased from \$15,315,603 to \$14,642,102.

***Using the Basic Financial Statements***

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

**Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns. In the case of the Village of Carey, the General fund is the most significant governmental fund. The Sewer, Electric, and Storm Water Utility funds are the most significant enterprise funds.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related receipts (such as accounts receivable) and certain liabilities and their related disbursements (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

***Reporting the Village of Carey as a Whole***

*Statement of Net Position and the Statement of Activities*

*The Statement of Net Position and the Statement of Activities* reflect how the Village did financially during 2023, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local receipt sources such as property and income taxes.

In the statement of net position and the statement of activities, we divide the Village into two types of activities:

Governmental Activities - The Village's basic services are reported here, including general government, security of persons and property, community environment, leisure time activities and transportation. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the disbursements of goods or services provided. The Village's water, sewer, electric, storm water, utility deposit, utility sinking, and recycling funds are reported as business-type activities.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
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**Reporting the Village of Carey's Most Significant Funds**

*Fund Financial Statements*

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into two categories: governmental and proprietary.

Governmental Funds – Many of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major governmental fund is the General fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The enterprise fund has three major funds, the Sewer, Electric, and Storm Water Utility funds.

***The Village of Carey as a Whole***

Table 1 provides a summary of the Village's net position for 2023 compared to 2022 on a cash basis:

	<b>Table 1</b>					
	<b>Net Position</b>					
	Governmental Activities			Business-Type Activities		
	2023	2022	Change	2023	2022	Change
<b><i>Assets</i></b>						
Equity in Pooled Cash and Cash Equivalents	\$1,807,284	\$1,419,210	\$388,074	\$9,493,219	\$10,574,350	(\$1,081,131)
<b><i>Net Position:</i></b>						
Restricted	722,664	655,146	67,518	0	0	0
Unrestricted	1,084,620	764,064	320,556	9,493,219	10,574,350	(1,081,131)
<b><i>Total Net Position</i></b>	<b>\$1,807,284</b>	<b>\$1,419,210</b>	<b>\$388,074</b>	<b>\$9,493,219</b>	<b>\$10,574,350</b>	<b>(\$1,081,131)</b>

In 2023, total equity pooled in cash and cash equivalents decreased. Refer to additional discussion of factors causing this decrease on page 7.

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Table 2 reflects the changes in net position on a cash basis in 2023 and 2022 for governmental activities, business-type activities and total primary government.

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>2023</u>	<u>2022</u>	<u>Change</u>
<b>Receipts</b>						
<i>Program Receipts:</i>						
Charges for Services	109,113	67,477	41,636	10,765,724	11,758,607	(992,883)
Operating Grants and Contributions	311,694	504,381	(192,687)	11,524	11,391	133
<i>Total Program Receipts</i>	<u>420,807</u>	<u>571,858</u>	<u>(151,051)</u>	<u>10,777,248</u>	<u>11,769,998</u>	<u>(992,750)</u>
<i>General Receipts:</i>						
Property Taxes	113,326	93,710	19,616	0	0	0
Income Taxes	1,974,477	1,557,041	417,436	987,238	778,521	208,717
Other Local Taxes	342,191	372,490	(30,299)	0	0	0
Grants and Entitlements	87,276	106,328	(19,052)	0	0	0
Sale of Assets	43,030	62,379	(19,349)	0	0	0
Proceeds from Loans	0	0	0	339,300	0	339,300
Proceeds of Notes	0	0	0	3,325,000	3,575,000	(250,000)
Investment Earnings	152,517	45,148	107,369	0	0	0
Miscellaneous	91,071	46,550	44,521	0	363,416	(363,416)
<i>Total General Receipts</i>	<u>2,803,888</u>	<u>2,283,646</u>	<u>520,242</u>	<u>4,651,538</u>	<u>4,716,937</u>	<u>(65,399)</u>
<i>Total Receipts</i>	<u>3,224,695</u>	<u>2,855,504</u>	<u>369,191</u>	<u>15,428,786</u>	<u>16,486,935</u>	<u>(1,058,149)</u>
<b>Disbursements</b>						
General Government	481,517	509,854	(28,337)	0	0	0
Security of Persons and Property	1,156,880	1,203,388	(46,508)	0	0	0
Public Health	38,130	20,745	17,385	0	0	0
Leisure Time Activities	220,449	138,997	81,452	0	0	0
Community and Econ. Dev.	5,186	53	5,133	0	0	0
Transportation	332,869	421,496	(88,627)	0	0	0
Capital Outlay	362,785	309,973	52,812	0	0	0
Principal Retirement	138,179	134,035	4,144	0	0	0
Interest and Fiscal Charges	22,687	10,832	11,855	0	0	0
<i>Enterprise Operations:</i>						
Electric	0	0	0	13,727,898	13,007,427	720,471
Recycling	0	0	0	65,931	59,151	6,780
Sewer	0	0	0	1,571,009	1,211,261	359,748
Storm Water Utility	0	0	0	299,738	110,795	188,943
Utility Deposit	0	0	0	27,269	34,412	(7,143)
Water	0	0	0	818,072	854,186	(36,114)
Utility Bond Debt Service	0	0	0	77,939	79,908	(1,969)
<i>Total Disbursements</i>	<u>2,758,682</u>	<u>2,749,373</u>	<u>9,309</u>	<u>16,587,856</u>	<u>15,357,140</u>	<u>1,230,716</u>
Transfers	(77,939)	(79,908)	1,969	77,939	79,908	(1,969)
<i>Change in Net Position</i>	388,074	26,223	361,851	(1,081,131)	1,209,703	(2,290,834)
Net Position at Beginning of Year	1,419,210	1,392,987	26,223	10,574,350	9,364,647	1,209,703
Net Position at End of Year	<u>\$1,807,284</u>	<u>\$1,419,210</u>	<u>\$388,074</u>	<u>\$9,493,219</u>	<u>\$10,574,350</u>	<u>(\$1,081,131)</u>

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
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**Governmental Activities**

Program receipts represent only 13.05 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees and charges to nearby governments for police services provided under contract.

General receipts represent 86.95 percent of the Village's total receipts, and of this amount, 86.67 percent are taxes. State and federal grants and entitlements make up 3.11 percent of the Village's general receipts. Other receipts, such as investments earnings, sale of assets, and miscellaneous make up 10.22 percent of general receipts.

Disbursements for general government represent the costs of running the Village and the support services provided for the other government activities. These include the costs of the Mayor, Council, Village Administrator, Fiscal Officer and income tax departments, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, the Village tries to limit these costs to 7 percent of general fund unrestricted receipts.

Security of persons and property are the costs of police and fire protection and represent the largest disbursement of government activities, representing 41.93 percent of the total disbursements. Capital outlay disbursements represent 13.15 percent of total distributions, primarily due to ongoing projects within the Village.

**Business-type Activities**

Business-type activities include water, sewer, electric, storm water, utility deposit, utility bond debt service, and recycling operations. The receipts are generated primarily from charges for services. Program receipts decreased in 2023, primarily due to decreases in charges for services received. In 2023, operating grants remained stable. The increase in general receipts is due to proceeds received from the Ohio Water Development Authority (OWDA) disbursements for the pump station improvement project in 2023.

The total disbursements for the utilities increased in 2023. This increase is primarily due to an increase in disbursements in the Electric Fund and Sewer Fund for capital improvement projects during 2023. The Village had a decrease in net position for the business-type activities.

***The Village's Funds***

The fund balance of the general fund increased by \$399,097 for 2023.

Net position in the sewer fund increased, primarily due to increases in charges for services in 2023.

Net position in the electric fund decreased as a result of increased capital outlay disbursements for 2023.

Net position in the storm water utility fund decreased due to increased disbursements resulting from project costs in 2023.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
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**General Fund Budgeting Highlights**

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of 2023, the Village amended its general fund budget on various occasions. All recommendations for appropriation changes come to Council from the Village Fiscal Officer. The Finance Committee of Council reviews them, and they make their recommendation to the Council as a whole.

**Original Budget Compared to Final Budget** During the course of fiscal year 2023, there was a need for the Village to increase its original estimated revenues for intergovernmental and contributions and donations. There was a need to increase budgeted disbursements for capital outlay. This increase was not significant. The Village also decreased budgeted general government and security of persons and property expense. The decreases were not significant.

**Final Budget Compared to Actual Results** The most significant difference in estimated receipts and actual receipts was for other local taxes as a result in decreased Kilowatt tax received. The most significant differences between estimated disbursements and actual disbursements were for general government, security of persons and property and transportation. These disbursements were lower than the final budgeted disbursements as cost savings were recognized during the year.

**Debt Administration**

**Debt**

Table 3 summarizes outstanding debt at December 31, 2023 and 2022.

**Table 3**  
**Outstanding Debt, at December 31**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$304,000	\$390,900	\$0	\$0	\$304,000	\$390,900
Fire Turnout Gear	40,524	50,925	0	0	40,524	50,925
Republic First National Bank	187,043	0	0	0	187,043	0
Revenue Bonds	0	0	74,000	148,000	74,000	148,000
OPWC Loans	0	0	353,743	20,221	353,743	20,221
OWDA Loans	0	0	10,616,396	11,135,206	10,616,396	11,135,206
AMI Loan	0	0	272,963	437,176	272,963	437,176
AMP Note	0	0	3,325,000	3,575,000	3,325,000	3,575,000
<b>Total</b>	<b>\$531,567</b>	<b>\$441,825</b>	<b>\$14,642,102</b>	<b>\$15,315,603</b>	<b>\$15,173,669</b>	<b>\$15,757,428</b>

During 2023, debt decreased primarily due to principal payments made throughout the year. Additional information concerning the Village's debt can be found in Note 10 to the basic financial statements.

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*Management's Discussion and Analysis*  
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***Current Issues***

The Village of Carey Public Water System (PWS) runs on 3 alternating pumps situated on the west side of town. The water is disinfected and pumped into the distribution system, water tower, and elevated storage tank. This is where we get our system pressure, which is maintained between 48-52 psi. We monitor the flow rate, hours, and disinfection level daily, to meet the EPA requirement of .2mg/l. We also submit, to the EPA, 4 Microbiological Sample Submission Reports (SSR) for Total Coliform per month, as well as the Certified Operator Minimum Staffing Reports and Drinking Water Report.

Outside of our regular maintenance sampling and testing, the EPA sets up a yearly rotational schedule of Monitoring Requirements at our entry point (EP) and in the distribution system (DS). In 2023, our EP monitoring consisted only of Nitrate and Synthetic Organic Chemicals (SOC) Group 4. The DS monitoring includes Asbestos, Lead & Copper, and Disinfection Byproducts. All results came back comfortably below any Action Level (AL) set by the EPA and is included in the yearly Consumer Confidence Report (CCR). The CCR must be submitted for approval to the Ohio EPA before June 30, and can be accessed via a link included on a utility bill after approval. A paper copy may be obtained by request.

On the maintenance side, we upgraded the totalizer to a Krohne Mag Meter, and replaced the auto dialer with a cloud based monitoring system. This system gives us accurate metering, allows for remote monitoring, alarm notifications and some functionality. It also can be reconfigured to accept any changes to the system, now and in the future.

Also at the well field, we have replaced 2 valves and are in the process of replacing a third. These new valves give us the ability to properly control the system for future upgrades and for well maintenance as needed.

The well field produced 188.081 Million Gallons (MG) this year. This gives us a monthly average of 15.67 MG and a daily average of 0.512 MGD. Our highest recorded day was June 21st, with a reading of 0.731 MGD, while the lowest recorded reading was 0.328 MGD on December 27th. We spent \$2,757.00 on the chlorine (Cl<sub>2</sub>) disinfection this year, as we carried over 8 cylinders into 2023.

Looking forward, we will continue with the Lead and Copper site planning/sampling map, with the initial service line inventory submitted to the state in October 2024, and our asset management documentation. We have also registered with the EPA Central Data Exchange (CDX), in preparation of the Unregulated Contaminants Monitoring Rule (UCMR 5), which will be requiring certain PWSs to collect drinking water samples for 29 per-and polyfluoroalky substances (PFAS) and lithium during a 12 month period between 2023-2025

The Village of Carey Wastewater Treatment Plant, located at 299 S. Wyandotte Ave, is an extended aeration system, using modified activated sludge and a 2 ring oxidation ditch to achieve biological treatment of wastewater. This allows us to maintain consistent compliance, while providing flexibility for any future growth.



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**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
(UNAUDITED)  
(Continued)

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This past year the wastewater treatment plant (WWTP) treated 258.50 million gallon (MG) of wastewater, an increase of 23MG. This was predominately due to an unusually wet first qtr. The average daily flow increased to 0.708 MGD, with a maximum flow of 4.5 MG on March 24th. This daily average is 0.054 MGD higher than the previous year. The monthly average was 21.54 MG, with our highest recorded reading of 41.23 MG in March. The lowest recorded reading of 14.09 MG occurred in September. The precipitation totaled 36.3”.

Our phosphorus (P) removal process is a multi-step procedure. First, incoming wastewater (WW) is mixed with return activated sludge (RAS) in an anaerobic tank. This mixed liquor suspended solids (MLSS) is circulated through 2 oxidation ditches, alternating between aerobic and anoxic zones, controlled remotely by the Smart Biological Nutrient Reduction (BNR) system, for natural P (Phosphorus) removal. Next, Ferric Chloride (FeCl<sub>3</sub>) is added to the MLSS in a splitter box on the way to the clarifiers. Here, the FeCl<sub>3</sub> attaches to the remaining P and settles to the bottom, while the clean water is disinfected by Ultra Violet (UV) lights and discharged. Finally, the settled sludge, with the attached P, is wasted to a Sludge Holding Tank (SHT) where it is aerated until being mixed with polymer for flocculation, pumped into a screw press for dewatering, and hauled to a landfill.

The bio-solid process has continued to be our greatest challenge. In 2023, we dewatered 2.724 MG of raw solids. This works out to 636.36 wet tons, which was hauled to the landfill. In an effort to mitigate cost, we contracted Peterson Associates and performed a system wide test to identify problem areas. Under their advisement, we modified and updated the sections of our Sewer Use Ordinance, pertaining to allowable discharge limits, fines, and penalties. These updated changes are due to begin on Feb 1st, 2024. We will also be looking into any other alternative methods of disposal.

Because the Village of Carey WWTP operates non-stop, we do daily checks and observations of the grounds and equipment, as well as scheduled preventative maintenance. The gas monitoring meters/alarms, totalizing meters, scales, lab apparatus, and flow meters are contracted out for the necessary calibrations.

We are required to monitor influent and effluent flow every day. We also record Ph levels, temperature, and dissolved oxygen (DO) during the work week, and twice every 7 days we do in house labs. These labs consist of testing or measuring the Carbonaceous Biochemical Oxygen Demand (CBOD), Total Suspended Solids (TSS), Ammonia (NH<sub>3</sub>), and Phosphorus (P) levels of our influent and effluent flows. We also use these days to run centrifugal spins on our ditches and Waste Activated Sludge (WAS), to aid us in the solids inventory and management. During the summer months we test at upstream and downstream locations, and add a coliform test on the effluent to our bi-weekly testing. The OEPA also requires monthly testing of Oil/Grease, Nitrite plus Nitrate, & Total Filterable Residue. Quarterly testing consists of Mercury, Cyanide, Nickel, Zinc, Cadmium, Lead, Chromium TR, Chromium Dis Hex., and Copper. These samples are collected and taken to Alloway Labs for the testing and reporting.

Along with all the record keeping and reporting that we normally do throughout the year, we also updated our PMP mercury reduction plan and did system wide sampling of the wastewater again in an attempt to isolate and reduce sources of Mercury in our wastewater stream. With the co-operation of the PWD, we have started to investigate Inflow & Infiltration in our sanitary system. This will continue and may include smoke testing. The contingency plan was also updated again as it is a yearly duty. Additionally work has begun on the EPA mandated Asset Management program.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*(UNAUDITED)*  
*(Continued)*

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The Ohio EPA has set limitations on the final effluent of our wastewater plant to help alleviate pollution in Ohio's waterways. The plant is considered to be a pollution control center. The maximum and minimum limits are published in our yearly permit.

Outside of a minor violation in July, on our Phosphorus discharge, we remain comfortably within our permitted limits. We are committed to seeing continual improvement in the process and efficiency of the plant, while taking on the challenges of the day to day changes and unexpected events.

The Public Works Department, is located at 2327 State Route 568, and is one of the most diversified departments within the village in terms of services provided towards the community. The Public Works Department is comprised of overseeing the following areas within the village such as parks, Spring Grove Cemetery, streets, sanitary sewer, storm sewer, water distribution, and curbside recycling.

The Public Works Department employees are responsible for maintenance within the parks, the Village of Carey pool, splash pad, and shelter houses. The crew is responsible for mowing over sixty acres of land that is not limited to Village owned parks, Natures Edge Park, soccer fields, and other Village owned land. The Waterworks Pavilion has undergone some renovations such as a new entrance located on the west side of the pavilion. In 2024, there will be future improvements for the Waterworks Pavilion. In June, the driveways and parking lot were sealed and striped by Richland Sealcoating Co.

In 2023, the cemetery driveways were sealed and the cemetery shed was rebuilt including new siding, trim, and a fresh coat of paint. There were 27 burials and 17 cremations. 30 foundations were installed.

Street paving for 2023 included 5 streets and 6 streets were included in the street crack sealing program. The Toledo Street Bridge project was completed in September of 2023.

In 2023, the electric department reported 93,199,933 kilowatt hrs of metered energy for a total cost of \$7,407,142. Of this metered energy total, energy from the solar field total 2,137,201 kilowatt hrs for a total cost of \$204,743. Electric department crews had 26 callouts, installed 4 new transformers, 2 electric poles, 1,110 feet of overhead wire, 910 feet of underground wire, performed 855 OUPS locates, and 1,224 moves in 2023.

The Village of Carey started a rebuild of our Ogg Street Substation in 2022. This project cost approximately \$3.2 million and is paid directly from the Electric department funds, no loan will be necessary for the project. County Road 97 lift station has been contracted with B Hillz Excavating, and is expected to be completed in 2024.

Digital mapping continued for our water, storm water, and sewer lines. This is a required project that will give us a better understanding of the state of our infrastructure. Ultimately, the GIS mapping will allow us to better forecast our infrastructure needs and save for future infrastructure projects.

The Memorial Park splash pad planning was completed in the fall of 2020. The next phase of the 3 phase project will be the creation of an all abilities playspace. We began design work in 2022 and the total cost is around \$600,000. We received a grant of \$125,000 from ODNR toward the project and will be seeking donations to help in this very important project.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*(UNAUDITED)*  
*(Continued)*

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The culvert project began with the replacement of the culvert behind Dorcas Carey Public Library. The next phase was a smaller section in the parking lot of Hometown Market Place. Our final phase combines the final two phases including sections behind the VFW and the largest section running down South Street. As stated earlier, the project will cost approximately \$4.2 million but we have a grant from OPWC for \$500,000 which will bring the Village cost down to \$3.7 million with a 1 percent loan. This project will be completed in 2024.

***Contacting the Village's Financial Management***

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Laura Ewing, Fiscal Officer, Village of Carey, 127 N. Vance Street, Carey, Ohio 43316-1056, telephone 419-396-7681 or email [fiscalofficer@careyohio.org](mailto:fiscalofficer@careyohio.org).

**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Net Position - Cash Basis*  
*December 31, 2023*

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash & Cash Equivalents	\$1,807,284	\$9,493,219	\$11,300,503
<b>Net Position:</b>			
<i>Restricted for:</i>			
Public Health	82,079	0	82,079
Street Maintenance	455,768	0	455,768
Other Purposes	184,817	0	184,817
Unrestricted	1,084,620	9,493,219	10,577,839
Total Net Position	\$1,807,284	\$9,493,219	\$11,300,503

See accompanying notes to the basic financial statements.

**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2023*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
General Government	\$481,517	\$49,401	\$0	(\$432,116)	\$0	(\$432,116)
Security of Persons and Property	1,156,880	12,265	0	(1,144,615)	0	(1,144,615)
Public Health	38,130	22,896	0	(15,234)	0	(15,234)
Leisure Time Activities	220,449	24,551	25,616	(170,282)	0	(170,282)
Community and Economic Development	5,186	0	0	(5,186)	0	(5,186)
Transportation	332,869	0	286,078	(46,791)	0	(46,791)
Capital Outlay	362,785	0	0	(362,785)	0	(362,785)
<i>Debt Service:</i>						
Principal Retirement	138,179	0	0	(138,179)	0	(138,179)
Interest and Fiscal Charges	22,687	0	0	(22,687)	0	(22,687)
<i>Total Governmental Activities</i>	<u>2,758,682</u>	<u>109,113</u>	<u>311,694</u>	<u>(2,337,875)</u>	<u>0</u>	<u>(2,337,875)</u>
<b>Business-Type Activities:</b>						
Electric	13,727,898	9,129,010	0	0	(4,598,888)	(4,598,888)
Recycling	65,931	43,333	11,524	0	(11,074)	(11,074)
Sewer	1,571,009	621,195	0	0	(949,814)	(949,814)
Storm Water Utility	299,738	205,888	0	0	(93,850)	(93,850)
Utility Deposit	27,269	30,917	0	0	3,648	3,648
Water	818,072	735,381	0	0	(82,691)	(82,691)
Utility Bond Debt Service	77,939	0	0	0	(77,939)	(77,939)
<i>Total Business-Type Activities</i>	<u>16,587,856</u>	<u>10,765,724</u>	<u>11,524</u>	<u>0</u>	<u>(5,810,608)</u>	<u>(5,810,608)</u>
<i>Totals</i>	<u>\$19,346,538</u>	<u>\$10,874,837</u>	<u>\$323,218</u>	<u>(2,337,875)</u>	<u>(5,810,608)</u>	<u>(8,148,483)</u>
<b>General Receipts:</b>						
<i>Property Taxes levied for:</i>						
General Purposes				113,326	0	113,326
<i>Income Taxes Levied for:</i>						
General Purposes				1,579,581	0	1,579,581
Parks and Recreation				197,448	0	197,448
Capital Improvements				197,448	0	197,448
Debt Retirement				0	987,238	987,238
Other Local Taxes				342,191	0	342,191
<i>Grants and Entitlements not</i>						
Restricted to Specific Programs				87,276	0	87,276
Sale of Capital Assets				43,030	0	43,030
Proceeds from OWDA Loans				0	339,300	339,300
Proceeds of Notes				0	3,325,000	3,325,000
Investment Earnings				152,517	0	152,517
Miscellaneous				91,071	0	91,071
<i>Total General Receipts</i>				<u>2,803,888</u>	<u>4,651,538</u>	<u>7,455,426</u>
Transfers				(77,939)	77,939	0
<i>Total General Revenues and Transfers</i>				<u>2,725,949</u>	<u>4,729,477</u>	<u>7,455,426</u>
<i>Change in Net Position</i>				<u>388,074</u>	<u>(1,081,131)</u>	<u>(693,057)</u>
Net Position at Beginning of Year				<u>1,419,210</u>	<u>10,574,350</u>	<u>11,993,560</u>
Net Position at End of Year				<u>\$1,807,284</u>	<u>\$9,493,219</u>	<u>\$11,300,503</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CAREY**  
**WYANDOT, COUNTY, OHIO**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2023*

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$724,005	\$1,083,279	\$1,807,284
<b>Fund Balances:</b>			
Restricted	0	722,664	722,664
Committed	0	360,615	360,615
Assigned	149,533	0	149,533
Unassigned	574,472	0	574,472
<i>Total Fund Balances</i>	\$724,005	\$1,083,279	\$1,807,284

See accompanying notes to the basic financial statements.

**VILLAGE OF CAREY  
WYANDOT COUNTY, OHIO**

*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis  
Governmental Funds  
For the Year Ended December 31, 2023*

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Receipts</b>			
Property Taxes	\$113,326	\$0	\$113,326
Income Taxes	1,579,581	394,896	1,974,477
Other Local Taxes	342,191	0	342,191
Special Assessments	2,978	0	2,978
Charges for Services	7,500	44,431	51,931
Licenses and Permits	3,435	0	3,435
Fines and Forfeitures	4,869	3,781	8,650
Intergovernmental	87,276	286,078	373,354
Interest	149,552	2,965	152,517
Rent	5,100	5,750	10,850
Contributions and Donations	31,770	25,115	56,885
Other	13,258	77,813	91,071
<i>Total Receipts</i>	<u>2,340,836</u>	<u>840,829</u>	<u>3,181,665</u>
<b>Disbursements:</b>			
<i>Current:</i>			
General Government	481,517	0	481,517
Security of Persons and Property	1,130,994	25,886	1,156,880
Public Health	7,149	30,981	38,130
Leisure Time Services	0	220,449	220,449
Community Development	5,186	0	5,186
Transportation	163,756	169,113	332,869
Capital Outlay	99,835	262,950	362,785
<i>Debt Service:</i>			
Principal Retirement	40,878	97,301	138,179
Interest and Fiscal Charges	12,424	10,263	22,687
<i>Total Disbursements</i>	<u>1,941,739</u>	<u>816,943</u>	<u>2,758,682</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>399,097</u>	<u>23,886</u>	<u>422,983</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Capital Assets	0	43,030	43,030
Transfers In	0	95,649	95,649
Transfers Out	0	(173,588)	(173,588)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(34,909)</u>	<u>(34,909)</u>
<i>Net Change in Fund Balances</i>	399,097	(11,023)	388,074
<i>Fund Balances at Beginning of Year</i>	<u>324,908</u>	<u>1,094,302</u>	<u>1,419,210</u>
<i>Fund Balances at End of Year</i>	<u><u>\$724,005</u></u>	<u><u>\$1,083,279</u></u>	<u><u>\$1,807,284</u></u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Receipts, Disbursements, and*  
*Changes in Fund Balances - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property Taxes	\$115,000	\$115,000	\$113,326	(\$1,674)
Income Taxes	1,300,000	1,300,000	1,579,581	279,581
Other Local Taxes	427,000	442,534	342,191	(100,343)
Special Assessments	500	257	2,978	2,721
Charges for Services	7,500	7,500	7,500	0
Licenses and Permits	4,876	4,876	3,435	(1,441)
Fines and Forfeitures	3,124	3,078	4,869	1,791
Intergovernmental	67,500	128,691	87,276	(41,415)
Interest	30,000	26,932	149,552	122,620
Rent	4,900	8,199	5,100	(3,099)
Contributions and Donations	0	70,000	31,770	(38,230)
Other	9,775	25,000	13,258	(11,742)
<i>Total Receipts</i>	1,970,175	2,132,067	2,340,836	208,769
<b>Disbursements</b>				
Current:				
General Government	614,790	571,185	483,095	88,090
Security of Persons and Property	1,486,955	1,421,073	1,144,853	276,220
Public Health	6,500	7,149	7,149	0
Community and Economic Development	5,300	5,300	5,186	114
Transportation	250,000	250,000	155,756	94,244
Capital Outlay	0	163,213	144,107	19,106
<i>Debt Service:</i>				
Principal Retirements	0	0	48,878	(48,878)
Interest and Fiscal Charges	0	0	12,424	(12,424)
<i>Total Disbursements</i>	2,363,545	2,417,920	2,001,448	416,472
<i>Excess of Receipts Over (Under) Disbursements</i>	(393,370)	(285,853)	339,388	625,241
<b>Other Financing Sources:</b>				
Proceeds from Sale of Capital Assets	0	5,000	0	(5,000)
<i>Total Other Financing Sources</i>	0	5,000	0	(5,000)
<i>Net Change in Fund Balance</i>	(393,370)	(280,853)	339,388	620,241
<i>Fund Balances at Beginning of Year</i>	294,584	294,584	294,584	0
Prior Year Encumbrances Appropriated	20,365	20,365	20,365	0
<i>Fund Balances at End of Year</i>	(\$78,421)	\$34,096	\$654,337	\$620,241

See accompanying notes to the basic financial statements.



**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Fund Net Position - Cash Basis*  
*Proprietary Funds*  
*December 31, 2023*

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	Business-Type Activities				Totals
	Sewer	Electric	Storm Water Utility	Other Enterprise Funds	
<b>Assets</b>					
Equity in Pooled Cash & Cash Equivalents	\$3,475,384	\$4,125,651	\$994,033	\$898,151	\$9,493,219
<b>Net Position</b>					
Unrestricted	3,475,384	4,125,651	994,033	898,151	9,493,219
<i>Total Net Position</i>	<u>\$3,475,384</u>	<u>\$4,125,651</u>	<u>\$994,033</u>	<u>\$898,151</u>	<u>\$9,493,219</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Receipts, Disbursements and*  
*Changes in Fund Net Position - Cash Basis*  
*Proprietary Funds*  
*For the Year Ended December 31, 2023*

	Business-Type Activities				Totals
	Sewer	Electric	Storm Water Utility	Other Enterprise Funds	
<b>Operating Receipts</b>					
Charges for Services	\$621,195	\$9,129,010	\$205,888	\$809,631	\$10,765,724
<i>Total Operating Receipts</i>	<u>621,195</u>	<u>9,129,010</u>	<u>205,888</u>	<u>809,631</u>	<u>10,765,724</u>
<b>Operating Disbursements</b>					
Personal Services	112,425	332,127	47,222	276,974	768,748
Fringe Benefits	134,090	159,746	20,740	110,952	425,528
Contractual Services	230,232	8,076,170	24,449	146,122	8,476,973
Materials and Supplies	101,636	56,726	0	42,418	200,780
Capital Outlay	411,273	1,234,831	201,394	262,255	2,109,753
Other	0	20,188	0	0	20,188
<i>Total Operating Disbursements</i>	<u>989,656</u>	<u>9,879,788</u>	<u>293,805</u>	<u>838,721</u>	<u>12,001,970</u>
<i>Operating Income (Loss)</i>	<u>(368,461)</u>	<u>(750,778)</u>	<u>(87,917)</u>	<u>(29,090)</u>	<u>(1,236,246)</u>
<b>Non-Operating Receipts (Disbursements)</b>					
Income Taxes	987,238	0	0	0	987,238
Intergovernmental	0	0	0	11,524	11,524
Proceeds from OWDA Loans	339,300	0	0	0	339,300
Proceeds of Notes	0	3,325,000	0	0	3,325,000
Principal Retirement	(517,704)	(3,673,523)	(5,492)	(141,082)	(4,337,801)
Interest and Fiscal Charges	(63,649)	(174,587)	(441)	(9,408)	(248,085)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>745,185</u>	<u>(523,110)</u>	<u>(5,933)</u>	<u>(138,966)</u>	<u>77,176</u>
<i>Income/(Loss) Before Transfers</i>	376,724	(1,273,888)	(93,850)	(168,056)	(1,159,070)
Transfers In	0	0	0	77,939	77,939
<i>Change in Net Position</i>	376,724	(1,273,888)	(93,850)	(90,117)	(1,081,131)
Net Position at Beginning of Year	<u>3,098,660</u>	<u>5,399,539</u>	<u>1,087,883</u>	<u>988,268</u>	<u>10,574,350</u>
Net Position at End of Year	<u>\$3,475,384</u>	<u>\$4,125,651</u>	<u>\$994,033</u>	<u>\$898,151</u>	<u>\$9,493,219</u>

See accompanying notes to the basic financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 – Reporting Entity**

The Village of Carey, Wyandot County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council elected at large for four-year terms. The Mayor is elected to a four-year term and votes only to break a tie.

The reporting entity is comprised of the primary government and other organizations that were included to ensure that the financial statements are not misleading.

***Primary Government***

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services; water, sewer and electric utilities, maintenance of Village roads and bridges, park operations, and police services. The Village appropriates general fund money to support a volunteer fire department and contracts with Wyandot County for emergency medical services. The Village also manages a public cemetery.

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village approves the budget, the levying of taxes or the issuance of debt. The Village does not have any component units.

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

***Public Entity Risk Pools***

The Village participates in public entity risk pools. Note 7 to the financial statements provides additional information for these entities.

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

As discussed further in Note 2.C., these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

***A. Basis of Presentation***

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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***Government-Wide Financial Statements***

The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash and investment balances of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

***Fund Financial Statements***

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Proprietary fund statements distinguish operating transactions from non-operating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as non-operating.

***B. Fund Accounting***

The Village uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into two categories, governmental and proprietary.

***Governmental Funds***

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following is the Village's major governmental fund:

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**General Fund** The General Fund 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 expended or transferred according to the general laws of Ohio.

The other governmental funds of the Village account for grants and other resources whose use is restricted, committed or assigned to a particular purpose.

**Proprietary Funds**

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as enterprise 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. The Village's major enterprise funds are the sewer and electric funds.

**Sewer Fund** The Sewer Fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

**Electric Fund** The Electric Fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

**Storm Water Utility Fund** The Storm Water Utility Fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

The other enterprise funds of the Village account for the operations of the water, recycling, storm water and utility deposits.

**C. Basis of Accounting**

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and deferred outflows and their related receipts (such as accounts receivable and receipt for billed or provided services not yet collected) and certain liabilities and deferred inflows and their related disbursements (such as accounts payable and disbursements for goods or services received but not yet paid, and accrued liabilities and the related disbursements) are not recorded in these financial statements.

**D. Budgetary Process**

All funds are legally required to be budgeted and appropriated. 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 establishes a limit on the amount the Village Council may appropriate. The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and object level for all funds.

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The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

***E. Cash and Investments***

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents.”

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2023, the Village invested in certificates of deposits.

Interest earnings are allocated to Village funds according to State statutes, grant requirements or debt related restrictions. Interest receipts credited to the General Fund during 2023 amounted to \$149,552, which includes \$142,961 assigned from other Village funds.

***F. Inventory and Prepaid Items***

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

***G. Capital Assets***

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

***H. Interfund Receivables/Payables***

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

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***I. Accumulated Leave***

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

***J. Pensions/Other Postemployment Benefits (OPEB)***

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

***K. Long-Term Obligations***

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

***L. Net Position***

Net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include primarily resources restricted for street maintenance and repairs.

The Village's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net positions are available.

***M. Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

***Restricted*** Fund balance is reported as 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.

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Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying receipt; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute. The Village has by resolution authorized the Fiscal Officer to assign fund balance. The Village may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated receipt and appropriations in the subsequent year's appropriated budget.

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

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

***N. Interfund Transactions***

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.



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**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis) and that the Village’s payroll clearing fund is partially combined into the general fund to comply with GASB 54 classifications. The encumbrances outstanding at year end (budgetary basis) amounted to \$58,122 for the general fund.

**Note 4 – Deposits and Investments**

Monies held by the Village are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Protection of the Village’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25% of the interim monies available for investment at any one time if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

***Deposits***

At year-end, \$3,449,009 of the Village's bank balance of \$11,334,108 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the Village's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the Village to a successful claim by the FDIC.

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village will not be able to recover deposits or collateral securities that are in possession of an outside party.

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The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the Village and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

***Investments***

As of December 31, 2023, the Village had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Percentage of Portfolio</u>
Negotiable CD's	\$1,126,765	27%
STAROhio	3,059,325	73%
<b>Totals</b>	<b>\$4,186,090</b>	<b>100.00%</b>

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Village’s policy limits investment portfolio maturities to five years or less.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village’s policy limits its investments to those authorized by State statute. Standard and Poor’s has assigned a rating of “AAAm” to STAR Ohio. Nonnegotiable CD’s are covered by FDIC. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

**Custodial Credit Risk** – For investments, custodial credit risk is the risk that, in event of the failure of the counter party, the Village will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The Village’s policy provides that investments be held in the Village’s name. All of the Village’s investments are held in the Village’s name.

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The Village’s policy minimizes concentration of credit risk by diversifying assets by issuer as necessary. The Village’s investments in Negotiable CDs, and STAR Ohio were 27.% and 73%, respectively, of the Village’s total investments.

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**Note 5 – Income Taxes**

The Village levies a 1.5 percent income tax. By Council action on January 18, 2016, the first one percent of income tax receipt is divided as follows: 80 percent to the General Fund, 10 percent to the Parks Fund and 10 percent to the Capital Improvement Fund. The remaining one-half percent is placed in the Sewer Debt Retirement Fund, by Council action. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, if at least one percent tax is paid to another municipality on wages earned, that credit can be applied to the Village of Carey tax liability, with the other half percent payable to the Village of Carey. Ultimately, the total income tax payable must equal 1.5 percent of earned income. 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 also required to pay their estimated tax at least quarterly and file a final return annually.

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2023 for real and public utility property taxes represents collections of the 2022 taxes.

2023 real property taxes were levied after October 1, 2023 on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

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The full tax rate for all Village operations for the year ended December 31, 2023, was \$1.90 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	\$68,382,140
Public Utility Personal Property	845,680
Total Assessed Value	\$66,985,000

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

**Note 7 – Risk Management**

**Public Entities Pool of Ohio**

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Employment practices liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment Breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31 (most recent information available):

	2022
Cash and Investments	\$42,310,794
Actuarial Liabilities	15,724,479

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**Buckeye Ohio Risk Management Association**

The Buckeye Ohio Risk Management Association Pool, Inc (BORMA) Benefits Pool (the Pool) is for employee benefits and includes life insurance, accidental death and dismemberment insurance, health insurance, and prescription drug insurance. Plan options and levels of coverage are established independently by each Pool member for its employees. Premiums paid into the Pool by each member are based on the level of coverage within each respective plan. The Pool includes eighteen public entities in the State of Ohio. Member contributions are calculated annually to produce a sufficient sum of money within the Pool to fund administrative expenses and to create reserves for claims.

As of November 30, 2023, the Pool had total reported assets of \$6,491,886 (the latest information available). The 2023 monthly premiums paid by the Village per covered employee were \$2,704 for family coverage, \$1,803 for two party coverage with spouse, \$1,622 for two-party coverage with child, and \$901 for single coverage. The estimated monthly life insurance premium was \$1.92 per employee per month. The cost of coverage for premiums is paid out of each respective fund and division that pays the salary of the individuals covered under the plan. Employees contribute a portion of each monthly premium through payroll withholding. During 2023, the Village paid \$457,675 into the Pool for all covered benefits. The amount of risk retained by the Pool in 2023 was \$325,000 per individual; coverage in excess of this amount was provided by Optum Unimerica Insurance Company.

BORMA Benefits Pool has the ability to require member entities to make supplemental payments in the event reserves are not adequate to cover claims. The probability of this occurring is considered remote due to the adequacy of the reserves and premium levels. Therefore, no additional amounts have been disclosed in the basic financial statements. Audited financial statements are maintained by the pool.

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 to provide coverage to employees for job related injuries.

**Note 8 – Defined Benefit Pension Plans**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Village employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Traditional</u>	<u>Combined</u>
<b>2023 Statutory Maximum Contribution Rates</b>		
Employer	14.0%	14.0%
Employee	10.0%	10.0%
<b>2023 Actual Contribution Rates</b>		
Employer		
Pension	14.0%	12.0%
Post-employment Health Care Benefits	0.0%	2.0%
Total Employer	14.0%	14.0%
Employee	10.0%	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Village’s contractually required contribution was \$180,931 for the year 2023.



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***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

Village full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, statutory survivors and annuity beneficiaries. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police
<b>2023 Statutory Maximum Contribution Rates</b>	
Employer	19.50%
Employee	12.25%
<b>2023 Actual Contribution Rates</b>	
Employer	
Pension	19.00%
Post-employment Health Care Benefits	0.50%
Total Employer	19.50%
Employee	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The Village’s contractually required contribution to OP&F was \$86,093 for 2023.

**Note 9 - Defined Benefit OPEB Plans**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

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OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

**Medicare Retirees** Medicare-eligible with a minimum of 20 years of qualifying service credit

**Non-Medicare Retirees** Non-Medicare retirees qualify based on the following age-and-service criteria:

**Group A** 30 years of qualifying service credit at any age;

**Group B** 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

**Group C** 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium

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and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village had no contractually required contribution for 2023.

***Ohio Police and Fire Pension Fund***

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for

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health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**Funding Policy** – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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The Village's contractually required contribution to OP&F was \$2,204 for 2023.

**Note 10 – Long Term Debt and Leases**

***Debt***

Debt outstanding at December 31, 2023 was as follows:

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
USDA Bonds	2.375%	\$ 868,900	April 1, 2027
First National Bank - Fire Tournout Gear	2.970%	50,925	April 1, 2027
Republic First National Bank - Street Sweep	5.450%	227,921	December 5, 2027
OWDA Loan - WWTP Improvements	1.000%	2,240,415	January 1, 2027
OWDA Loan - Storm Sewer	1.000%	107,311	January 1, 2031
OWDA Loan - WWTP Improvements- Water Pollution Control	0.980%	10,889,356	January 1, 2047
OPWC Loan - Culvert Replacement	0.000%	57,774	January 20, 2026
OPWC Loan - County Road 97 Pump Station	0.000%	339,300	July 1, 2053
2015 Revenue Bonds - Municipal Utilities Facility	2.625%	740,000	October 1, 2024
AMP Loan - Electric Improvements	1.600%	5,500,000	December 31, 2034
AMI Loan - Automated Meter Reading System	3.720%	809,326	July 25, 2025

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The Village's long-term debt activity for the year ended December 31, 2023 was as follows:

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023	Due Within One Year
<b>Governmental Activities</b>					
<i>Direct Placement:</i>					
USDA Bonds	\$ 390,900	\$ 0	\$ (86,900)	\$ 304,000	\$ 86,900
First National Bank - Fire Turnout Gear	50,925	\$ 0	\$ (10,401)	40,524	\$ 9,152
Republic First National Bank - Street Sweeper	0	227,921	(40,878)	187,043	43,106
<b>Total Governmental Activities</b>	<b>\$ 441,825</b>	<b>\$ 227,921</b>	<b>\$ (138,179)</b>	<b>\$ 531,567</b>	<b>\$ 139,158</b>
<b>Business-Type Activities</b>					
<i>Direct Borrowings:</i>					
OWDA Loan - WWTP Improvements	\$ 484,534	\$ 0	\$ (119,327)	\$ 365,207	\$ 120,523
OWDA Loan - Storm Sewer	45,508	0	(5,492)	40,016	5,547
OWDA Loan - WWTP Improvement- Water Pollution Control	10,605,164	0	(393,991)	10,211,173	387,862
OPWC Loan - County Road 97 Pump Station	0	339,300	0	339,300	11,310
OPWC Loan - Culvert Replacement	20,221	0	(5,778)	14,443	5,778
AMI Loan	437,176	0	(164,213)	272,963	170,489
<b>Total Direct Borrowing</b>	<b>11,592,603</b>	<b>339,300</b>	<b>(688,801)</b>	<b>11,243,102</b>	<b>701,509</b>
<i>Direct Placement:</i>					
Revenue Bonds - 2015 Municipal Utilities Facility	148,000	0	(74,000)	74,000	74,000
<b>Total Business-Type Activities</b>	<b>\$ 11,740,603</b>	<b>\$ 339,300</b>	<b>\$ (762,801)</b>	<b>\$ 11,317,102</b>	<b>\$ 775,509</b>

**Governmental Activities:**

**Direct Placement**

On December 13, 2016 the Village issued \$868,900 in bonds for the purchase of a fire truck. The bonds will be repaid in annual installments of \$86,900, over a twenty-year period from the general fund.

On October 26, 2022 the Village entered into a note agreement with First National Bank for the purchase of fire turnout gear. The note will be repaid in annual installments of \$11,914, over a five-year period from the general fund.

On January 9, 2023 the Village entered into a finance purchase with Republic First National Bank for the purchase of a street sweeper. It will be repaid in annual installments of \$53,302, over a five-year period from the general fund.

**Business-type Activities:**

**Direct Borrowings**

The Village has pledged future water, sewer, electric and storm water receipts, net of specified operating disbursements to repay \$17,145,046 of Ohio Public Works Commission (OPWC) loans, Ohio Water Development Authority (OWDA) loans, revenue bonds, an AMI loan, and an AMP note. Annual principal and interest payments, as a percentage of net customer receipts, on the loans are expected to be similar over the term of the loans as in the current year, which were 11.45 percent. The total principal and interest remaining to be paid on the loans is \$15,879,573. Principal and interest paid for the current year and total net receipts were \$632,545 and \$7,240,727 respectively.

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During 2005, the Village entered into a loan agreement with OWDA in the amount of \$2,240,415. The proceeds of this loan were used for wastewater treatment plant improvements. The Village began repaying the loan in 2007.

The Ohio Water Development Authority (OWDA) approved a \$228,889 loan to the Village on January 7, 2010 for improvements to the Village's storm sewer system. Of this amount, \$121,578 in principal was forgiven through assistance from funding through the American Recovery and Reinvestment Act of 2009 (ARRA) which left \$107,311 to be financed by the Village.

During 2019, the Village entered into a loan agreement with the Ohio Water Development Authority (OWDA) in the amount of \$10,889,356 for Waste Water Treatment Plant water pollution control. As of December 31, 2021 the Village has received all of the proceeds. No amortization schedule is available until the loan is fully disbursed and closed; therefore, it is not included below.

In the event of default, as defined by each OWDA loan agreement, the lender may declare the full amount of the unpaid Project Participation Principal amount immediately due and payable and require the Village to pay any fines or penalties incurred with interest.

The Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) in 2015 for the purpose of a culvert replacement project. This loan is being repaid in semi-annual installments beginning in July of 2016. The debt will be repaid over a ten-year period. In the event of default, as defined by the loan agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or require the Village fiscal officer to pay the amounts due from funds appropriated to the Villages' undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

The Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) in 2023 for the purpose of improvements for County Road 97 Pump Station. This loan is being repaid in semi-annual installments beginning in January of 2024. The debt will be repaid over a thirty-year period. In the event of default, as defined by the loan agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or require the Village fiscal officer to pay the amounts due from funds appropriated to the Villages' undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

On September 25, 2018, the Village entered into a loan agreement with the First Citizens Bank in the amount of \$809,326 for the purchase of an Automated Meter Information (AMI) system for both water and electric meters.

***Direct Placement***

On April 29, 2015 the Village issued revenue bonds to purchase a building. The building will house the Village's public works and electric departments. These bonds are to be repaid in annual installments, over a nine year period.



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Principal and interest requirements to retire debt outstanding at December 31, 2023, were as follows:

Year	USDA Bonds		First Natioan Bank Note		Republic First National Bank Financing Agreement			
	Principal	Interest	Principal	Interest	Principal	Interest		
2024	86,900	6,705	9,152	2,762	43,106	10,196		
2025	86,900	4,641	9,776	2,138	45,456	7,846		
2026	86,900	2,577	10,442	1,472	47,934	5,368		
2027	43,300	515	11,154	760	50,547	2,755		
<b>Total</b>	<b>\$ 304,000</b>	<b>\$ 14,438</b>	<b>\$ 40,524</b>	<b>\$ 7,132</b>	<b>\$ 187,043</b>	<b>\$ 26,165</b>		

  

Year	OWDA Loans		OPWC Loans		Revenue Bonds		AMI Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	523,932	102,835	17,088	0	74,000	1,974	170,489	7,390
2025	529,104	97,662	17,088	0	0	0	102,474	1,288
2026	534,329	92,439	14,197	0	0	0	0	0
2027	415,418	87,474	11,310	0	0	0	0	0
2028	419,502	83,391	11,310	0	0	0	0	0
2029-2033	2,142,133	354,531	56,550	0	0	0	0	0
2034-2038	2,237,135	247,660	56,550	0	0	0	0	0
2039-2043	2,349,204	135,592	56,550	0	0	0	0	0
2044-2048	1,465,639	25,237	56,550	0	0	0	0	0
2049-2053	0	0	56,550	0	0	0	0	0
	<b>\$ 10,616,396</b>	<b>\$ 1,226,821</b>	<b>\$ 353,743</b>	<b>0</b>	<b>\$ 74,000</b>	<b>\$ 1,974</b>	<b>\$ 272,963</b>	<b>\$ 8,678</b>

**Short Term Note**

On December 1, 2022, the Village entered into a note agreement for \$3,575,000 with American Municipal Power (AMP) to refinance the 2019 AMP Note. The note will be repaid with the Village's net receipts from the electric fund. The note matures on December 1, 2023.

On December 1, 2023, the Village entered into a note agreement for \$3,325,000 with American Municipal Power (AMP) to refinance the 2020 AMP Note. The note will be repaid with the Village's net receipts from the electric fund. The note matures on December 1, 2024.

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023	Due Within One Year
<b>Business-Type Activities</b>					
AMP Note Payable 2022	\$ 3,575,000	\$ 0	\$ (3,575,000)	0	\$ 0
AMP Note Payable 2023	0	3,325,000	0	3,325,000	3,325,000
<b>Total Governmental Activities</b>	<b>\$ 3,575,000</b>	<b>\$ 3,325,000</b>	<b>\$ (3,575,000)</b>	<b>\$ 3,325,000</b>	<b>\$ 3,325,000</b>

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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**Note 12 – Fund Balance**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the General Fund and all other governmental funds are presented below:

	General	Other Governmental Funds	Total
<i>Restricted for:</i>			
Reinvestment and Enterprise Zone	\$0	\$12,500	\$12,500
Road Improvements	0	407,882	407,882
Cemetery	0	82,079	82,079
Police Operations	0	21,067	21,067
Other Purposes	0	199,136	199,136
<b>Total Restricted</b>	<b>0</b>	<b>722,664</b>	<b>722,664</b>
<i>Committed for:</i>			
Capital Outlay	0	10,030	10,030
Recreation	0	335,629	335,629
Police Operations	0	14,956	14,956
<b>Total Committed</b>	<b>0</b>	<b>360,615</b>	<b>360,615</b>
<i>Assigned for:</i>			
Encumbrances	58,122	0	58,122
Subsequent Year Appropriations	91,411	0	91,411
<b>Total Assigned</b>	<b>149,533</b>	<b>0</b>	<b>149,533</b>
Unassigned	574,472	0	574,472
<b>Total Fund Balance</b>	<b>\$724,005</b>	<b>\$1,083,279</b>	<b>\$1,807,284</b>

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**Note 13 – Other Commitments and Contingencies**

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's project share was 2,000 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.26 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed impaired and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share of the impaired costs at March 31, 2014 was \$346,050. The Village received a credit of \$132,716 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$90,450 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU, leaving an estimated net impaired cost balance of \$122,884. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

Since March 31, 2014 the Village has made payments of \$130,761 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$4,336 and interest expense incurred on AMP's line-of-credit of \$828, resulting in a net credit balance for impaired cost estimate at December 31, 2020 of \$2,713. The Village has opted to leave the credit balance with AMP to offset any additional AMPGS Project costs in the future. The Village does have a potential PHFU credit of \$12,264 resulting in a net credit balance for total potential liability of \$14,977, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

**Note 14 – Interfund**

During 2023, the capital improvement fund transferred \$95,649 to the fire truck bond retirement fund for principal and interest payments and \$77,939 to the utility bond debt service fund for principal and interest payments.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
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**Note 15 – Tax Abatements**

The Village of Carey has entered into tax abatement agreements with Teijin, Hanon Systems USA, and Smith Drug for the abatement of real property taxes. Under the agreements established by Ohio Revised Code Sections 5709.632 and 3735.65 through 3735.70, the businesses agree to bring jobs and economic development into the Village in exchange for forgone property tax receipts.

Under the agreements, the Village's property tax receipts were abated by \$12,980.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
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This discussion and analysis of the Village of Carey's (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2022, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

***Financial Highlights***

Key highlights for 2022 are as follows:

- In total, net position increased \$1,235,926. Net position of governmental activities increased \$26,223, which represents a 1.88 percent increase from 2021. Net position of business-type activities increased \$1,209,703 or a 12.92 percent increase from 2021.
- The Village's general receipts accounted for \$7,051,508 or 18.1 percent of all receipts. Program specific receipts in the form of charges of services and sales and operating grants and contributions and interest accounted for \$12,341,856 or 81.9 percent of total receipts of \$15,767,439.
- Total program disbursements were \$18,157,438; \$2,749,373 in governmental activities and \$15,357,140 in business-type activities.
- Outstanding debt decreased from \$16,430,201 to \$15,315,603.

***Using the Basic Financial Statements***

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

**Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns. In the case of the Village of Carey, the General fund is the most significant governmental fund. The Sewer, Electric, and Storm Water Utility funds are the most significant enterprise funds.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related receipts (such as accounts receivable) and certain liabilities and their related disbursements (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

***Reporting the Village of Carey as a Whole***

*Statement of Net Position and the Statement of Activities*

*The Statement of Net Position and the Statement of Activities* reflect how the Village did financially during 2022, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local receipt sources such as property and income taxes.

In the statement of net position and the statement of activities, we divide the Village into two types of activities:

Governmental Activities - The Village's basic services are reported here, including general government, security of persons and property, community environment, leisure time activities and transportation. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the disbursements of goods or services provided. The Village's water, sewer, electric, storm water, utility deposit, utility sinking, and recycling funds are reported as business-type activities.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
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**Reporting the Village of Carey's Most Significant Funds**

*Fund Financial Statements*

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into two categories: governmental and proprietary.

Governmental Funds – Many of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major governmental fund is the General fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The enterprise fund has three major funds, the Sewer, Electric, and Storm Water Utility funds.

***The Village of Carey as a Whole***

Table 1 provides a summary of the Village's net position for 2022 compared to 2021 on a cash basis:

	<b>Table 1</b>					
	<b>Net Position</b>					
	Governmental Activities			Business-Type Activities		
	2022	2021	Change	2022	2021	Change
<b><i>Assets</i></b>						
Equity in Pooled Cash and Cash Equivalents	\$1,419,210	\$1,392,987	\$26,223	\$10,574,350	\$9,364,647	\$1,209,703
<b><i>Net Position:</i></b>						
Restricted	655,146	509,984	145,162	0	0	0
Unrestricted	764,064	883,003	(118,939)	10,574,350	9,364,647	1,209,703
<b><i>Total Net Position</i></b>	<b>\$1,419,210</b>	<b>\$1,392,987</b>	<b>\$26,223</b>	<b>\$10,574,350</b>	<b>\$9,364,647</b>	<b>\$1,209,703</b>

In 2022, total equity pooled in cash and cash equivalents increased. Refer to additional discussion of factors causing this decrease on page 7.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
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Table 2 reflects the changes in net position on a cash basis in 2022 and 2021 for governmental activities, business-type activities and total primary government.

	<b>Governmental Activities</b>			<b>Business-Type Activities</b>		
	2022	2021	Change	2022	2021	Change
<b>Receipts</b>						
<i>Program Receipts:</i>						
Charges for Services	67,477	87,629	(20,152)	11,758,607	10,762,367	996,240
Operating Grants and Contributions	504,381	474,886	29,495	11,391	239,922	(228,531)
<i>Total Program Receipts</i>	<u>571,858</u>	<u>562,515</u>	<u>9,343</u>	<u>11,769,998</u>	<u>11,002,289</u>	<u>767,709</u>
<i>General Receipts:</i>						
Property Taxes	93,710	101,162	(7,452)	0	0	0
Income Taxes	1,557,041	1,543,366	13,675	778,521	771,683	6,838
Other Local Taxes	372,490	344,272	28,218	0	0	0
Grants and Entitlements	106,328	72,342	33,986	0	0	0
Sale of Assets	62,379	36,016	26,363	0	0	0
Proceeds from Loans	50,925	0	50,925	0	105,966	(105,966)
Proceeds of Notes	0	0	0	3,575,000	3,925,000	(350,000)
Premium on Notes	0	0	0	0	37,562	(37,562)
Investment Earnings	45,148	72,113	(26,965)	0	0	0
Miscellaneous	46,550	45,222	1,328	363,416	61,086	302,330
<i>Total General Receipts</i>	<u>2,334,571</u>	<u>2,214,493</u>	<u>120,078</u>	<u>4,716,937</u>	<u>4,901,297</u>	<u>(184,360)</u>
<i>Total Receipts</i>	<u>2,906,429</u>	<u>2,777,008</u>	<u>129,421</u>	<u>16,486,935</u>	<u>15,903,586</u>	<u>583,349</u>
<b>Disbursements</b>						
General Government	509,854	506,601	3,253	0	0	0
Security of Persons and Property	1,203,388	1,370,049	(166,661)	0	0	0
Public Health	20,745	30,880	(10,135)	0	0	0
Leisure Time Activities	138,997	121,557	17,440	0	0	0
Community and Econ. Dev.	53	5,143	(5,090)	0	0	0
Transportation	421,496	259,968	161,528	0	0	0
Capital Outlay	360,898	368,524	(7,626)	0	0	0
Principal Retirement	134,035	135,068	(1,033)	0	0	0
Interest and Fiscal Charges	10,832	18,158	(7,326)	0	0	0
<i>Enterprise Operations:</i>						
Electric	0	0	0	13,007,427	13,478,323	(470,896)
Recycling	0	0	0	59,151	41,414	17,737
Sewer	0	0	0	1,211,261	1,625,709	(414,448)
Storm Water Utility	0	0	0	110,795	590,467	(479,672)
Utility Deposit	0	0	0	34,412	30,812	3,600
Water	0	0	0	854,186	767,662	86,524
Utility Bond Debt Service	0	0	0	79,908	81,878	(1,970)
<i>Total Disbursements</i>	<u>2,800,298</u>	<u>2,815,948</u>	<u>(15,650)</u>	<u>15,357,140</u>	<u>16,616,265</u>	<u>(1,259,125)</u>
Transfers	(79,908)	0	(79,908)	79,908	0	79,908
<i>Change in Net Position</i>	26,223	(38,940)	65,163	1,209,703	(712,679)	1,922,382
Net Position at Beginning of Year	1,392,987	1,431,927	(38,940)	9,364,647	10,077,326	(712,679)
Net Position at End of Year	<u>\$1,419,210</u>	<u>\$1,392,987</u>	<u>\$26,223</u>	<u>\$10,574,350</u>	<u>\$9,364,647</u>	<u>\$1,209,703</u>



**Village of Carey**  
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**Governmental Activities**

Program receipts represent only 20.03 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees and charges to nearby governments for police services provided under contract.

General receipts represent 79.97 percent of the Village's total receipts, and of this amount, 88.60 percent are taxes. State and federal grants and entitlements make up 4.66 percent of the Village's general receipts. Other receipts, such as investments earnings, sale of assets, and miscellaneous make up 6.74 percent of general receipts.

Disbursements for general government represent the costs of running the Village and the support services provided for the other government activities. These include the costs of the Mayor, Council, Village Administrator, Fiscal Officer and income tax departments, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, the Village tries to limit these costs to 7 percent of general fund unrestricted receipts.

Security of persons and property are the costs of police and fire protection and represent the largest disbursement of government activities, representing 43.77 percent of the total disbursements. Capital outlay disbursements represent 11.27 percent of total distributions, primarily due to ongoing projects within the Village.

**Business-type Activities**

Business-type activities include water, sewer, electric, storm water, utility deposit, utility bond debt service, and recycling operations. The receipts are generated primarily from charges for services. Program receipts increased in 2022, primarily due to increases in charges for services received. In 2022, operating grants decreased primarily due to a grant received in 2021 from the Ohio Public Works Commission (OPWC) for a storm water utility improvement. The decrease in general receipts is due to proceeds received from the Ohio Water Development Authority (OWDA) disbursements for the water pollution control project in 2021.

The total disbursements for the utilities decreased in 2022. This decrease is primarily due to disbursements for the water pollution control project paid during the prior year. The Village had an increase in net position for the business-type activities.

***The Village's Funds***

The fund balance of the general fund decreased by \$34,594 for 2022.

Net position in the sewer fund increased, primarily due to increases in charges for services and decreased disbursements for the water pollution control project done in 2021.

Net position in the electric fund increased as a result of increased charges for services.

Net position in the storm water utility fund decreased due to decreased disbursements resulting from project costs in 2021.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
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**General Fund Budgeting Highlights**

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of 2022, the Village amended its general fund budget on various occasions. All recommendations for appropriation changes come to Council from the Village Fiscal Officer. The Finance Committee of Council reviews them, and they make their recommendation to the Council as a whole.

**Original Budget Compared to Final Budget** During the course of fiscal year 2022, there was a need for the Village to decrease its original estimated revenues for charges for services, fines and forfeitures, and other revenues. There was a need to increase budgeted disbursements for capital outlay. This increase was not significant. The Village also decreased budgeted general government and security of persons and property expense. The decreases were not significant.

**Final Budget Compared to Actual Results** The most significant difference in estimated receipts and actual receipts was for other local taxes as a result in decreased unemployment due to the effects of the COVID-19 pandemic. The most significant differences between estimated disbursements and actual disbursements were for general government and security of persons and property. These disbursements were lower than the final budgeted disbursements as cost savings were recognized during the year.

**Debt Administration**

**Debt**

Table 3 summarizes outstanding debt at December 31, 2022 and 2021.

**Table 3**  
**Outstanding Debt, at December 31**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$390,900	\$477,800	\$0	\$0	\$390,900	\$477,800
Fire Turnout Gear	50,925	0	0	0	50,925	0
Revenue Bonds	0	0	148,000	222,000	148,000	222,000
OPWC Loans	0	0	20,221	25,998	20,221	25,998
OWDA Loans	0	0	11,135,206	11,648,945	11,135,206	11,648,945
AMI Loan	0	0	437,176	608,258	437,176	608,258
AMP Note	0	0	3,575,000	3,925,000	3,575,000	3,925,000
Lease Purchase	0	47,135	0	0	0	47,135
Total	\$441,825	\$524,935	\$15,315,603	\$16,430,201	\$15,757,428	\$16,955,136

During 2022, debt decreased primarily due to principal payments made throughout the year. Additional information concerning the Village's debt can be found in Note 10 to the basic financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
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***Current Issues***

The Village of Carey Water and Wastewater Departments are run and monitored by 2 full time employees. The Carey Public Water System runs on 3 alternating pumps situated on the west side of town. The water is disinfected and pumped into the distribution system, water tower, and elevated storage tank. This is where we get our system pressure, which is maintained between 48-52 psi. We monitor the flow rate, hours, and disinfection level daily, to meet the EPA requirement of .2mg/l. We also submit, to the EPA, 4 Microbiological Sample Submission Reports (SSR) for Total Coliform every month, as well as the Certified Operator Minimum Staffing Reports and Drinking Water Report. The Consumer Confidence Report (CCR) is submitted for approval to the Ohio EPA yearly can be accessed via a link included on a utility bill after approval. A paper copy may be obtained by request. Looking forward, we will continue with the Lead and Copper site planning and sampling map and our asset management documentation.

In the Wastewater department, the year began with a newly operating plant. While it is fully functional, there are still areas being finalized and dialed in. David Fletcher was hired at the end of 2021 as an Operator in Training. He has completed his classwork, accumulated his year of experience and passed the state mandated test. He will be certified as a Wastewater 1 Operator early in 2023, and will continue to work towards further certifications. He has become a welcome asset for this department and village.

This past year the wastewater treatment plant (WWTP) treated 235.62 million gallon (MG) of wastewater. The average daily flow was .645 MGD, with a maximum flow of 3.92 MG on February 18th. This daily average is .054 MGD higher than the previous year. The monthly average was 19.63 MG, with our highest recorded reading of 33.38 MG in March. The lowest recorded reading of 11.49 MG occurred in November. The precipitation for the year totaled 35.7”.

The Public Works Department, is located at 2327 State Route 568, oversees the Village parks, Spring Grove Cemetery, streets, sanitary sewer, storm sewer, water distribution, and curbside recycling. Our staff consists of 7 full time and 3 part time employees.

New additions to our community parks include a Pickleball court, Elm Hill Nature Preserve, and a Dog Park. The Village had 38 total call-outs for the year and 750 OUPS tickets were received and responded. The Village had 31 burials and 9 cremations completed at Spring Grove Cemetery.

Street paving completed for Frederick St, Grove St, Adam St, Columbus Ave, E. South St, Alley between Grove & Frederick and the Ogg Street water tower was sandblasted and repainted.

In 2022, the electric department reported 98,634,218 kilowatt hrs of metered energy for a total cost of \$8,112,192. Of this metered energy total, energy from the solar field total 2,240,634 kilowatt hrs for a total cost of \$206,396. Electric department crews had 28 callouts, installed 2 new transformers, 14 electric poles, 890 feet of overhead wire, 1,245 feet of underground wire, performed 689 OUPS locates, and 1,174 moves in the last year.

The Village of Carey started a rebuild of our Ogg Street Substation in 2022. This project cost approximately \$3.2 million and is paid directly from the Electric department funds, no loan will be necessary for the project. County Road 97 lift station has been contracted with B Hillz Excavating, completion of project by fall 2023.

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Digital mapping continued for our water, storm water, and sewer lines. This is a required project that will give us a better understanding of the state of our infrastructure. Ultimately, the GIS mapping will allow us to better forecast our infrastructure needs and save for future infrastructure projects.

The Memorial Park Splash pad planning was completed in the fall of 2020. The next phase of the 3 phase project will be the creation of an all abilities playspace. We began design work in 2022 and the total cost is around \$600,000. We received a grant of \$125,000 from ODNR toward the project and will be seeking donations to help in this very important project.

The culvert project began with the replacement of the culvert behind Dorcas Carey Public Library. The next phase was a smaller section in the parking lot of Hometown Market Place. Our final phase combines the final two phases including sections behind the VFW and the largest section running down South Street. As stated earlier, the project will cost approximately \$4.2 million but we have a grant from OPWC for \$500,000 which will bring the Village cost down to \$3.7 million with a 1 percent loan. We hope to have this project complete in 2023.

***Contacting the Village's Financial Management***

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Laura Ewing, Fiscal Officer, Village of Carey, 127 N. Vance Street, Carey, Ohio 43316-1056, telephone 419-396-7681 or email [fiscalofficer@careyohio.org](mailto:fiscalofficer@careyohio.org).

**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Net Position - Cash Basis*  
*December 31, 2022*

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Equity in Pooled Cash & Cash Equivalents	<u>\$1,419,210</u>	<u>\$10,574,350</u>	<u>\$11,993,560</u>
<b>Net Position:</b>			
<i>Restricted for:</i>			
Public Health	108,440	0	108,440
Street Maintenance	343,398	0	343,398
Other Purposes	203,308	0	203,308
Unrestricted	<u>764,064</u>	<u>10,574,350</u>	<u>11,338,414</u>
Total Net Position	<u>\$1,419,210</u>	<u>\$10,574,350</u>	<u>\$11,993,560</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2022*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
General Government	\$509,854	\$16,647	\$0	(\$493,207)	\$0	(\$493,207)
Security of Persons and Property	1,203,388	9,165	187,629	(1,006,594)	0	(1,006,594)
Public Health	20,745	23,614	0	2,869	0	2,869
Leisure Time Activities	138,997	18,051	40,673	(80,273)	0	(80,273)
Community and Economic Development	53	0	0	(53)	0	(53)
Transportation	421,496	0	276,079	(145,417)	0	(145,417)
Capital Outlay	360,898	0	0	(360,898)	0	(360,898)
<i>Debt Service:</i>						
Principal Retirement	134,035	0	0	(134,035)	0	(134,035)
Interest and Fiscal Charges	10,832	0	0	(10,832)	0	(10,832)
<i>Total Governmental Activities</i>	<u>2,800,298</u>	<u>67,477</u>	<u>504,381</u>	<u>(2,228,440)</u>	<u>0</u>	<u>(2,228,440)</u>
<b>Business-Type Activities:</b>						
Electric	13,007,427	10,197,062	0	0	(2,810,365)	(2,810,365)
Recycling	59,151	45,020	11,391	0	(2,740)	(2,740)
Sewer	1,211,261	552,225	0	0	(659,036)	(659,036)
Storm Water Utility	110,795	206,329	0	0	95,534	95,534
Utility Deposit	34,412	42,029	0	0	7,617	7,617
Water	854,186	715,942	0	0	(138,244)	(138,244)
Utility Bond Debt Service	79,908	0	0	0	(79,908)	(79,908)
<i>Total Business-Type Activities</i>	<u>15,357,140</u>	<u>11,758,607</u>	<u>11,391</u>	<u>0</u>	<u>(3,587,142)</u>	<u>(3,587,142)</u>
<i>Totals</i>	<u>\$18,157,438</u>	<u>\$11,826,084</u>	<u>\$515,772</u>	<u>(2,228,440)</u>	<u>(3,587,142)</u>	<u>(5,815,582)</u>
<b>General Receipts:</b>						
<i>Property Taxes levied for:</i>						
General Purposes				93,710	0	93,710
<i>Income Taxes Levied for:</i>						
General Purposes				1,245,633	0	1,245,633
Parks and Recreation				155,704	778,521	934,225
Capital Improvements				155,704	0	155,704
Debt Retirement				0	0	0
Other Local Taxes				372,490	0	372,490
Grants and Entitlements not						0
Restricted to Specific Programs				106,328	0	106,328
Sale of Assets				62,379	0	62,379
Proceeds from Loans				50,925	0	50,925
Proceeds of Notes				0	3,575,000	3,575,000
Investment Earnings				45,148	0	45,148
Miscellaneous				46,550	363,416	409,966
<i>Total General Receipts</i>				<u>2,334,571</u>	<u>4,716,937</u>	<u>7,051,508</u>
Transfers				(79,908)	79,908	0
<i>Total General Revenues and Transfers</i>				<u>2,254,663</u>	<u>4,796,845</u>	<u>7,051,508</u>
<i>Change in Net Position</i>				<u>26,223</u>	<u>1,209,703</u>	<u>1,235,926</u>
Net Position at Beginning of Year				<u>1,392,987</u>	<u>9,364,647</u>	<u>10,757,634</u>
Net Position at End of Year				<u>\$1,419,210</u>	<u>\$10,574,350</u>	<u>\$11,993,560</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CAREY**  
**WYANDOT, COUNTY, OHIO**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2022*

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$324,908	\$1,094,302	\$1,419,210
<b>Fund Balances:</b>			
Restricted	0	655,146	655,146
Committed	0	439,156	439,156
Assigned	324,908	0	324,908
<i>Total Fund Balances</i>	\$324,908	\$1,094,302	\$1,419,210

See accompanying notes to the basic financial statements.

**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**

*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2022*

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Receipts</b>			
Property Taxes	\$93,710	\$0	\$93,710
Income Taxes	1,245,633	311,408	1,557,041
Other Local Taxes	372,490	0	372,490
Special Assessments	3,240	0	3,240
Charges for Services	7,500	37,919	45,419
Licenses and Permits	4,469	0	4,469
Fines and Forfeitures	3,058	711	3,769
Intergovernmental	106,328	504,381	610,709
Interest	41,555	3,593	45,148
Rent	4,900	4,700	9,600
Contributions and Donations	980	0	980
Other	5,282	41,268	46,550
<i>Total Receipts</i>	<u>1,889,145</u>	<u>903,980</u>	<u>2,793,125</u>
<b>Disbursements:</b>			
<i>Current:</i>			
General Government	509,854	0	509,854
Security of Persons and Property	1,103,923	99,465	1,203,388
Public Health	7,312	13,433	20,745
Leisure Time Services	0	138,997	138,997
Community Development	53	0	53
Transportation	224,054	197,442	421,496
Capital Outlay	129,468	231,430	360,898
<i>Debt Service:</i>			
Principal Retirement	0	134,035	134,035
Interest and Fiscal Charges	0	10,832	10,832
<i>Total Disbursements</i>	<u>1,974,664</u>	<u>825,634</u>	<u>2,800,298</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(85,519)</u>	<u>78,346</u>	<u>(7,173)</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Capital Assets	0	62,379	62,379
Proceeds from Loan	50,925	0	50,925
Transfers In	0	97,462	97,462
Transfers Out	0	(177,370)	(177,370)
<i>Total Other Financing Sources (Uses)</i>	<u>50,925</u>	<u>(17,529)</u>	<u>33,396</u>
<i>Net Change in Fund Balances</i>	(34,594)	60,817	26,223
<i>Fund Balances at Beginning of Year</i>	<u>359,502</u>	<u>1,033,485</u>	<u>1,392,987</u>
<i>Fund Balances at End of Year</i>	<u>\$324,908</u>	<u>\$1,094,302</u>	<u>\$1,419,210</u>

See accompanying notes to the basic financial statements.



**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Receipts, Disbursements, and*  
*Changes in Fund Balances - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Year Ended December 31, 2022*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property Taxes	\$95,040	\$97,077	\$93,710	(\$3,367)
Income Taxes	1,245,568	1,290,397	1,245,633	(44,764)
Other Local Taxes	422,346	385,876	372,490	(13,386)
Special Assessments	2,009	3,356	3,240	(116)
Charges for Services	10,816	7,770	7,500	(270)
Licenses and Permits	4,630	4,630	4,469	(161)
Fines and Forfeitures	5,581	3,168	3,058	(110)
Intergovernmental	73,073	110,149	106,328	(3,821)
Interest	67,765	43,048	41,555	(1,493)
Rent	4,900	5,076	4,900	(176)
Contributions and Donations	0	1,015	980	(35)
Other	9,775	5,472	5,282	(190)
<i>Total Receipts</i>	<u>1,941,503</u>	<u>1,957,034</u>	<u>1,889,145</u>	<u>(67,889)</u>
<b>Disbursements</b>				
Current:				
General Government	604,142	562,646	512,694	49,952
Security of Persons and Property	1,379,048	1,336,078	1,114,824	221,254
Public Health	7,328	7,328	7,312	16
Community and Economic Development	100	100	53	47
Transportation	250,000	250,000	224,054	25,946
Capital Outlay	0	154,645	133,139	21,506
<i>Total Disbursements</i>	<u>2,240,618</u>	<u>2,310,797</u>	<u>1,992,076</u>	<u>318,721</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(299,115)	(353,763)	(102,931)	250,832
<b>Other Financing Sources:</b>				
Proceeds of Loans	0	50,925	50,925	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>50,925</u>	<u>50,925</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(299,115)	(302,838)	(52,006)	250,832
<i>Fund Balances at Beginning of Year</i>	323,564	323,564	323,564	0
Prior Year Encumbrances Appropriated	23,026	23,026	23,026	0
<i>Fund Balances at End of Year</i>	<u>\$47,475</u>	<u>\$43,752</u>	<u>\$294,584</u>	<u>\$250,832</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Fund Net Position - Cash Basis*  
*Proprietary Funds*  
*December 31, 2022*

	Business-Type Activities				Totals
	Sewer	Electric	Storm Water Utility	Other Enterprise Funds	
<b>Assets</b>					
Equity in Pooled Cash & Cash Equivalents	\$3,098,660	\$5,399,539	\$1,087,883	\$988,268	\$10,574,350
<b>Net Position</b>					
Unrestricted	3,098,660	5,399,539	1,087,883	988,268	10,574,350
<i>Total Net Position</i>	<u>\$3,098,660</u>	<u>\$5,399,539</u>	<u>\$1,087,883</u>	<u>\$988,268</u>	<u>\$10,574,350</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Receipts, Disbursements and*  
*Changes in Fund Net Position - Cash Basis*  
*Proprietary Funds*  
*For the Year Ended December 31, 2022*

	Business-Type Activities				Totals
	Sewer	Electric	Storm Water Utility	Other Enterprise Funds	
<b>Operating Receipts</b>					
Charges for Services	\$552,225	\$10,197,062	\$206,329	\$802,991	\$11,758,607
Other	0	357,056	0	6,360	363,416
<i>Total Operating Receipts</i>	<u>552,225</u>	<u>10,554,118</u>	<u>206,329</u>	<u>809,351</u>	<u>12,122,023</u>
<b>Operating Disbursements</b>					
Personal Services	224,144	362,811	46,380	236,910	870,245
Fringe Benefits	111,061	146,793	26,540	104,501	388,895
Contractual Services	188,083	8,129,893	13,808	159,491	8,491,275
Materials and Supplies	47,896	33,163	0	49,135	130,194
Capital Outlay	11,163	254,351	18,134	329,530	613,178
Other	0	18,850	0	0	18,850
<i>Total Operating Disbursements</i>	<u>582,347</u>	<u>8,945,861</u>	<u>104,862</u>	<u>879,567</u>	<u>10,512,637</u>
<i>Operating Income (Loss)</i>	<u>(30,122)</u>	<u>1,608,257</u>	<u>101,467</u>	<u>(70,216)</u>	<u>1,609,386</u>
<b>Non-Operating Receipts (Disbursements)</b>					
Income Taxes	778,521	0	0	0	778,521
Intergovernmental	0	0	0	11,391	11,391
Proceeds of Notes	0	3,575,000	0	0	3,575,000
Principal Retirement	(514,078)	(4,036,153)	(5,437)	(133,930)	(4,689,598)
Interest and Fiscal Charges	(114,836)	(25,413)	(496)	(14,160)	(154,905)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>149,607</u>	<u>(486,566)</u>	<u>(5,933)</u>	<u>(136,699)</u>	<u>(479,591)</u>
<i>Income/(Loss) Before Transfers</i>	119,485	1,121,691	95,534	(206,915)	1,129,795
Transfers - In	0	0	0	79,908	79,908
<i>Change in Net Position</i>	119,485	1,121,691	95,534	(127,007)	1,209,703
Net Position at Beginning of Year	<u>2,979,175</u>	<u>4,277,848</u>	<u>992,349</u>	<u>1,115,275</u>	<u>9,364,647</u>
Net Position at End of Year	<u>\$3,098,660</u>	<u>\$5,399,539</u>	<u>\$1,087,883</u>	<u>\$988,268</u>	<u>\$10,574,350</u>

See accompanying notes to the basic financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

The Village of Carey, Wyandot County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council elected at large for four-year terms. The Mayor is elected to a four-year term and votes only to break a tie.

The reporting entity is comprised of the primary government and other organizations that were included to ensure that the financial statements are not misleading.

***Primary Government***

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services; water, sewer and electric utilities, maintenance of Village roads and bridges, park operations, and police services. The Village appropriates general fund money to support a volunteer fire department and contracts with Wyandot County for emergency medical services. The Village also manages a public cemetery.

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village approves the budget, the levying of taxes or the issuance of debt. The Village does not have any component units.

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

***Public Entity Risk Pools***

The Village participates in public entity risk pools. Note 7 to the financial statements provides additional information for these entities.

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

As discussed further in Note 2.C., these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

***A. Basis of Presentation***

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
(Continued)

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***Government-Wide Financial Statements***

The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash and investment balances of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

***Fund Financial Statements***

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Proprietary fund statements distinguish operating transactions from non-operating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as non-operating.

***B. Fund Accounting***

The Village uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into two categories, governmental and proprietary.

***Governmental Funds***

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following is the Village's major governmental fund:

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
(Continued)

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**General Fund** The General Fund 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 expended or transferred according to the general laws of Ohio.

The other governmental funds of the Village account for grants and other resources whose use is restricted, committed or assigned to a particular purpose.

**Proprietary Funds**

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as enterprise 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. The Village's major enterprise funds are the sewer and electric funds.

**Sewer Fund** The Sewer Fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

**Electric Fund** The Electric Fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

**Storm Water Utility Fund** The Storm Water Utility Fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

The other enterprise funds of the Village account for the operations of the water, recycling, storm water and utility deposits.

**C. Basis of Accounting**

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and deferred outflows and their related receipts (such as accounts receivable and receipt for billed or provided services not yet collected) and certain liabilities and deferred inflows and their related disbursements (such as accounts payable and disbursements for goods or services received but not yet paid, and accrued liabilities and the related disbursements) are not recorded in these financial statements.

**D. Budgetary Process**

All funds are legally required to be budgeted and appropriated. 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 establishes a limit on the amount the Village Council may appropriate. The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and object level for all funds.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
(Continued)

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The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

***E. Cash and Investments***

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents.”

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2022, the Village invested in certificates of deposits.

Interest earnings are allocated to Village funds according to State statutes, grant requirements or debt related restrictions. Interest receipts credited to the General Fund during 2022 amounted to \$41,555, which includes \$40,271 assigned from other Village funds.

***F. Inventory and Prepaid Items***

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

***G. Capital Assets***

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

***H. Interfund Receivables/Payables***

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
(Continued)

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***I. Accumulated Leave***

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

***J. Pensions/Other Postemployment Benefits (OPEB)***

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

***K. Long-Term Obligations***

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

***L. Net Position***

Net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include primarily resources restricted for street maintenance and repairs.

The Village's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net positions are available.

***M. Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

***Restricted*** Fund balance is reported as 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.



**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
(Continued)

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Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying receipt; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute. The Village has by resolution authorized the Fiscal Officer to assign fund balance. The Village may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated receipt and appropriations in the subsequent year's appropriated budget.

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

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

***N. Interfund Transactions***

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
(Continued)

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**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis) and that the Village’s payroll clearing fund is partially combined into the general fund to comply with GASB 54 classifications. The encumbrances outstanding at year end (budgetary basis) amounted to \$20,365 for the general fund.

**Note 4 – Deposits and Investments**

Monies held by the Village are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Protection of the Village’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
(Continued)

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2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities described in (1) or (2) provided the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25% of the interim monies available for investment at any one time if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

***Deposits***

At year-end, \$4,161,518 of the Village's bank balance of \$10,966,224 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the Village's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the Village to a successful claim by the FDIC.

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village will not be able to recover deposits or collateral securities that are in possession of an outside party.

**Village of Carey**  
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The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the Village and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

***Investments***

As of December 31, 2022, the Village had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Percentage of Portfolio</u>
Negotiable CD's	\$1,108,720	100.00%
<b>Totals</b>	<b>\$1,108,720</b>	<b>100.00%</b>

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Village’s policy limits investment portfolio maturities to five years or less.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village’s policy limits its investments to those authorized by State statute. Nonnegotiable CD’s are covered by FDIC.

**Custodial Credit Risk** – For investments, custodial credit risk is the risk that, in event of the failure of the counter party, the Village will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The Village’s policy provides that investments be held in the Village’s name. All of the Village’s investments are held in the Village’s name.

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The Village’s policy minimizes concentration of credit risk by diversifying assets by issuer as necessary. The Village’s investments in Negotiable CDs, 100% of the Village’s total investments.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
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**Note 5 – Income Taxes**

The Village levies a 1.5 percent income tax. By Council action on January 18, 2016, the first one percent of income tax receipt is divided as follows: 80 percent to the General Fund, 10 percent to the Parks Fund and 10 percent to the Capital Improvement Fund. The remaining one-half percent is placed in the Sewer Debt Retirement Fund, by Council action. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, if at least one percent tax is paid to another municipality on wages earned, that credit can be applied to the Village of Carey tax liability, with the other half percent payable to the Village of Carey. Ultimately, the total income tax payable must equal 1.5 percent of earned income. 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 also required to pay their estimated tax at least quarterly and file a final return annually.

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2022 for real and public utility property taxes represents collections of the 2021 taxes.

2022 real property taxes were levied after October 1, 2022 on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

**Village of Carey**  
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The full tax rate for all Village operations for the year ended December 31, 2022, was \$1.90 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	\$66,157,890
Public Utility Personal Property	827,110
Total Assessed Value	\$66,985,000

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

**Note 7 – Risk Management**

**Public Entities Pool of Ohio**

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Employment practices liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment Breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2022
Cash and Investments	\$42,310,794
Actuarial Liabilities	15,724,479

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
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**Buckeye Ohio Risk Management Association**

The Buckeye Ohio Risk Management Association Pool, Inc (BORMA) Benefits Pool (the Pool) is for employee benefits and includes life insurance, accidental death and dismemberment insurance, health insurance, and prescription drug insurance. Plan options and levels of coverage are established independently by each Pool member for its employees. Premiums paid into the Pool by each member are based on the level of coverage within each respective plan. The Pool includes sixteen public entities in the State of Ohio. Member contributions are calculated annually to produce a sufficient sum of money within the Pool to fund administrative expenses and to create reserves for claims.

As of November 30, 2022, the Pool had total reported assets of \$9,844,993 (the latest information available). The 2022 monthly premiums paid by the Village per covered employee were \$2,619 for family coverage, \$1,746 for two party coverage with spouse, \$1,571 for two-party coverage with child, and \$873 for single coverage. The estimated monthly life insurance premium was \$1.92 per employee per month. The cost of coverage for premiums is paid out of each respective fund and division that pays the salary of the individuals covered under the plan. Employees contribute a portion of each monthly premium through payroll withholding. During 2022, the Village paid \$530,539 into the Pool for all covered benefits. The amount of risk retained by the Pool in 2022 was \$300,000 per individual; coverage in excess of this amount was provided by Optum Unimerica Insurance Company.

BORMA Benefits Pool has the ability to require member entities to make supplemental payments in the event reserves are not adequate to cover claims. The probability of this occurring is considered remote due to the adequacy of the reserves and premium levels. Therefore, no additional amounts have been disclosed in the basic financial statements. Audited financial statements are maintained by the pool.

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 to provide coverage to employees for job related injuries.

**Note 8 – Defined Benefit Pension Plans**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Village employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

**Village of Carey**  
**Wyandot County, Ohio**  
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OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.



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**Wyandot County, Ohio**  
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Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize these defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
<b>2022 Statutory Maximum Contribution Rates</b>	
Employer	14.0%
Employee	10.0%
<b>2022 Actual Contribution Rates</b>	
Employer	
Pension	14.0%
Post-employment Health Care Benefits	0.0%
Total Employer	14.0%
Employee	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Village's contractually required contribution was \$170,755 for the year 2022.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
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***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

Village full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F ACFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percentage increase, if any, in the consumer price index over the 12 month period ending on September 30<sup>th</sup> of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3 percent of their base pension or disability benefit.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
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(Continued)

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police
<b>2022 Statutory Maximum Contribution Rates</b>	
Employer	19.50%
Employee	12.25%
<b>2022 Actual Contribution Rates</b>	
Employer	
Pension	19.00%
Post-employment Health Care Benefits	0.50%
Total Employer	19.50%
Employee	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The Village’s contractually required contribution to OP&F was \$80,052 for 2022.

**Note 9 - Defined Benefit OPEB Plans**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS ACFR referenced below for additional information.

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**Wyandot County, Ohio**  
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(Continued)

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The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, State and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village had no contractually required contribution for 2022.

***Ohio Police and Fire Pension Fund***

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contractually required contribution to OP&F was \$2,103 for 2022.

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**Note 10 – Long Term Debt and Leases**

*Debt*

Debt outstanding at December 31, 2022 was as follows:

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
USDA Bonds	2.375%	\$ 868,900	April 1, 2027
First National Bank - Fire Tournout Gear	2.970%	50,925	April 1, 2027
OWDA Loan - WWTP Improvements	1.000%	2,240,415	January 1, 2027
OWDA Loan - Storm Sewer	1.000%	107,311	January 1, 2031
OWDA Loan - WWTP Improvements- Water Pollution Control	0.980%	10,889,356	January 1, 2047
OPWC Loan - Culvert Replacement	0.000%	57,774	January 20, 2026
2015 Revenue Bonds - Municipal Utilities Facility	2.625%	740,000	October 1, 2024
AMP Loan - Electric Improvements	1.600%	5,500,000	December 31, 2034
AMI Loan - Automated Meter Reading System	3.720%	809,326	July 25, 2025

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**Village of Carey**  
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*Notes to the Financial Statements*  
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The Village's long-term debt activity for the year ended December 31, 2022 was as follows:

	Balance 12/31/2021	Additions	Reductions	Balance 12/31/2022	Due Within One Year
<b>Governmental Activities</b>					
<i>Direct Placement:</i>					
USDA Bonds	\$ 477,800	\$ 0	\$ (86,900)	\$ 390,900	\$ 86,900
First National Bank - Fire Turnout Gear	0	\$ 50,925	\$ 0	50,925	\$ 10,401
<i>Other Long-term Obligations:</i>					
Lease Purchase	47,135	0	(47,135)	0	0
<b>Total Governmental Activities</b>	<u>\$ 524,935</u>	<u>\$ 50,925</u>	<u>\$ (134,035)</u>	<u>\$ 441,825</u>	<u>\$ 97,301</u>
<b>Business-Type Activities</b>					
<i>Direct Borrowings:</i>					
OWDA Loan - WWTP Improvements	\$ 602,677	\$ 0	\$ (118,143)	\$ 484,534	\$ 119,327
OWDA Loan - Storm Sewer	50,946	0	(5,438)	45,508	5,492
OWDA Loan - WWTP Improvement- Water Pollution Control	10,995,322	0	(390,158)	10,605,164	0
OPWC Loan - Culvert Replacement	25,998	0	(5,777)	20,221	5,778
AMI Loan	608,258	0	(171,082)	437,176	164,213
<b>Total Direct Borrowing</b>	<u>12,283,201</u>	<u>0</u>	<u>(690,598)</u>	<u>11,592,603</u>	<u>294,810</u>
<i>Direct Placement:</i>					
Revenue Bonds - 2015 Municipal Utilities Facility	222,000	0	(74,000)	148,000	74,000
<b>Total Business-Type Activities</b>	<u>\$ 12,505,201</u>	<u>\$ 0</u>	<u>\$ (764,598)</u>	<u>\$ 11,740,603</u>	<u>\$ 368,810</u>

**Governmental Activities:**

**Direct Placement**

On December 13, 2016 the Village issued \$868,900 in bonds for the purchase of a fire truck. The bonds will be repaid in annual installments of \$86,900, over a twenty-year period from the general fund.

On October 26, 2022 the Village entered into a note agreement with First National Bank for the purchase of fire turnout gear. The note will be repaid in annual installments of \$11,914, over a five-year period from the general fund.

**Business-type Activities:**

**Direct Borrowings**

The Village has pledged future water, sewer, electric and storm water receipts, net of specified operating disbursements to repay \$17,145,046 of Ohio Public Works Commission (OPWC) loans, Ohio Water Development Authority (OWDA) loans, revenue bonds, an AMI loan, and an AMP note. Annual principal and interest payments, as a percentage of net customer receipts, on the loans are expected to be similar over the term of the loans as in the current year, which were 17.1 percent. The total principal and interest remaining to be paid on the loans is \$16,505,137. Principal and interest paid for the current year and total net receipts were \$464,375 and \$7,312,006 respectively.

**Village of Carey**  
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(Continued)

During 2005, the Village entered into a loan agreement with OWDA in the amount of \$2,240,415. The proceeds of this loan were used for wastewater treatment plant improvements. The Village began repaying the loan in 2007.

The Ohio Water Development Authority (OWDA) approved a \$228,889 loan to the Village on January 7, 2010 for improvements to the Village's storm sewer system. Of this amount, \$121,578 in principal was forgiven through assistance from funding through the American Recovery and Reinvestment Act of 2009 (ARRA) which left \$107,311 to be financed by the Village.

During 2019, the Village entered into a loan agreement with the Ohio Water Development Authority (OWDA) in the amount of \$10,889,356 for Waste Water Treatment Plant water pollution control. As of December 31, 2021 the Village has received all of the proceeds. No amortization schedule is available until the loan is fully disbursed and closed; therefore, it is not included below.

In the event of default, as defined by each OWDA loan agreement, the lender may declare the full amount of the unpaid Project Participation Principal amount immediately due and payable and require the Village to pay any fines or penalties incurred with interest.

The Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) in 2015 for the purpose of a culvert replacement project. This loan is being repaid in semi-annual installments beginning in July of 2016. The debt will be repaid over a ten-year period. In the event of default, as defined by the loan agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or require the Village fiscal officer to pay the amounts due from funds appropriated to the Villages' undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

On September 25, 2018, the Village entered into a loan agreement with the First Citizens Bank in the amount of \$809,326 for the purchase of an Automated Meter Information (AMI) system for both water and electric meters.

***Direct Placement***

On April 29, 2015 the Village issued revenue bonds to purchase a building. The building will house the Village's public works and electric departments. These bonds are to be repaid in annual installments, over a nine year period.

Principal and interest requirements to retire debt outstanding at December 31, 2022, were as follows:

Year	USDA Bonds		First Natioan Bank Note		Revenue Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	86,900	8,768	10,401	1,514	74,000	3,939	124,819	4,990
2024	86,900	6,705	9,152	2,762	74,000	1,974	126,070	3,738
2025	86,900	4,641	9,776	2,138	0	0	127,334	2,473
2026	86,900	2,577	10,442	1,472	0	0	128,610	1,197
2027	43,300	515	11,154	760	0	0	23,209	525
Total	<u>\$ 390,900</u>	<u>\$ 23,206</u>	<u>\$ 50,925</u>	<u>\$ 8,646</u>	<u>\$ 148,000</u>	<u>\$ 5,913</u>	<u>\$ 530,042</u>	<u>\$ 12,923</u>



**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
For the Year Ended December 31, 2022  
(Continued)

OPWC Loans		AMI Loan		Total	
Principal	Interest	Principal	Interest	Principal	Interest
5,778	0	164,213	13,666	455,710	31,363
5,778	0	170,489	7,390	463,237	19,807
5,778	0	102,474	1,288	322,486	8,402
2,887	0	0	0	218,397	3,774
0	0	0	0	66,509	1,040
<u>\$ 20,221</u>	<u>0</u>	<u>\$ 437,176</u>	<u>\$ 22,344</u>	<u>\$ 1,526,339</u>	<u>\$ 64,386</u>

**Short Term Note**

On December 1, 2021, the Village entered into a note agreement for \$3,925,000 with American Municipal Power (AMP) to refinance the 2019 AMP Note. The note will be repaid with the Village's net receipts from the electric fund. The note matures on November 30, 2022.

On November 30, 2022, the Village entered into a note agreement for \$3,575,000 with American Municipal Power (AMP) to refinance the 2020 AMP Note. The note will be repaid with the Village's net receipts from the electric fund. The note matures on November 30, 2023.

	Balance 12/31/2021	Additions	Reductions	Balance 12/31/2022	Due Within One Year
<b>Business-Type Activities</b>					
AMP Note Payable 2021	\$ 3,925,000	\$ 0	\$ (3,925,000)	\$ 0	\$ 0
AMP Note Payable 2022	0	3,575,000	0	3,575,000	3,575,000
<b>Total Governmental Activities</b>	<u>\$ 3,925,000</u>	<u>\$ 3,575,000</u>	<u>\$ (3,925,000)</u>	<u>\$ 3,575,000</u>	<u>\$ 3,575,000</u>

**Lease Purchase**

On April 15, 2020, the Village entered into a lease for a new plow truck and spreader. On December 8, 2017 the Village entered into a lease for new Ford F-450 truck. This lease was paid in full during 2022.

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
For the Year Ended December 31, 2022  
(Continued)

**Note 12 – Fund Balance**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the General Fund and all other governmental funds are presented below:

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<i>Restricted for:</i>			
Reinvestment and Enterprise Zone	\$0	\$10,750	\$10,750
Road Improvements	0	315,835	315,835
Cemetery	0	108,440	108,440
Police Operations	0	18,372	18,372
Other Purposes	0	201,749	201,749
Total Restricted	<u>0</u>	<u>655,146</u>	<u>655,146</u>
<i>Committed for:</i>			
Capital Outlay	0	159,109	159,109
Recreation	0	265,091	265,091
Police Operations	0	14,956	14,956
Total Committed	<u>0</u>	<u>439,156</u>	<u>439,156</u>
<i>Assigned for:</i>			
Encumbrances	20,365	0	20,365
Subsequent Year Appropriations	304,543	0	304,543
Total Assigned	<u>324,908</u>	<u>0</u>	<u>324,908</u>
Total Fund Balance	<u><u>\$324,908</u></u>	<u><u>\$1,094,302</u></u>	<u><u>\$1,419,210</u></u>

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
(Continued)

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**Note 13 – Other Commitments and Contingencies**

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's project share was 2,000 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.26 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed impaired and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share of the impaired costs at March 31, 2014 was \$346,050. The Village received a credit of \$132,716 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$90,450 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU), leaving an estimated net impaired cost balance of \$122,884. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

Since March 31, 2014 the Village has made payments of \$130,761 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$4,224 and interest expense incurred on AMP's line-of-credit of \$845, resulting in a net credit balance for impaired cost estimate at December 31, 2020 of \$2,808. The Village has opted to leave the credit balance with AMP to offset any additional AMPGS Project costs in the future. The Village does have a potential PHFU credit of \$10,367 resulting in a net credit balance for total potential liability of \$13,175, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

The Village intends to recover these costs and repay AMP over the next year through a power cost adjustment.

**Note 14 – Interfund**

During 2022, the capital improvement fund transferred \$97,462 to the fire truck bond retirement fund for principal and interest payments and \$79,908 to the utility bond debt service fund for principal and interest payments.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
(Continued)

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**Note 15 – Tax Abatements**

The Village of Carey has entered into tax abatement agreements with Continental Structural Plastics (CSP) of Ohio, Hanon Systems USA, and Wagner Ford, LLC for the abatement of real property taxes. Under the agreements established by Ohio Revised Code Sections 5709.632 and 3735.65 through 3735.70, the businesses agree to bring jobs and economic development into the Village in exchange for forgone property tax receipts.

Under the agreements, the Village's property tax receipts were abated by \$12,980.

**Note 16 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

Village of Carey  
Wyandot County  
127 North Vance Street  
Carey, Ohio 43316

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Carey, Wyandot County (the Village) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 26, 2024, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 26, 2024.

***Purpose of This Report***

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



***Charles E. Harris & Associates, Inc.***  
June 26, 2024

**VILLAGE OF CAREY  
WYANDOT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Years Ended December 31, 2023 and 2022  
Prepared by Management**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2021-001	Ohio Revised Code 5705.39-Appropriations exceeding estimated resources	Corrected	

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF CAREY**

**WYANDOT COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/13/2024**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)