



OHIO AUDITOR OF STATE  
**KEITH FABER**





VILLAGE OF WARSAW  
COSHOCOTON COUNTY

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Village of Warsaw  
Coshocton County  
331 East Main Street  
PO Box 399  
Warsaw, Ohio 43844

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type combined total as of and for the years ended December 31, 2020 and 2019, and related notes of the Village of Warsaw, Coshocton County, Ohio (the Village).

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

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

### ***Auditor's Responsibility***

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

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2020 and 2019, and the respective changes in financial position or cash flows thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Village, in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 13 to the financial statements, during 2020, the Village adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balance (Regulatory Cash Basis) – All Governmental Fund Types. As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. Our opinions are not modified with respect to these matters.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 29, 2021

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**Village of Warsaw, Ohio**  
*Coshocton County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2020*

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$55,624	\$12,250	\$0	\$67,874
Intergovernmental	28,660	62,787	0	91,447
Charges for Services	495	29,653	0	30,148
Fines, Licenses and Permits	6,455	0	0	6,455
Earnings on Investments	543	6	2	551
Miscellaneous	1,155	31,042	0	32,197
<i>Total Cash Receipts</i>	<u>92,932</u>	<u>135,738</u>	<u>2</u>	<u>228,672</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	43,424	0	0	43,424
Public Health Services	436	19,731	0	20,167
Leisure Time Activities	814	54,364	0	55,178
Community Environment	4,081	0	0	4,081
Basic Utility Services	213	0	0	213
Transportation	0	37,677	0	37,677
General Government	44,272	5,902	0	50,174
Debt Service:				
Principal Retirement	0	8,606	0	8,606
Interest and Fiscal Charges	0	2,611	0	2,611
<i>Total Cash Disbursements</i>	<u>93,240</u>	<u>128,891</u>	<u>0</u>	<u>222,131</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(308)</u>	<u>6,847</u>	<u>2</u>	<u>6,541</u>
<i>Net Change in Fund Cash Balances</i>	(308)	6,847	2	6,541
<i>Fund Cash Balances, January 1</i>	<u>16,481</u>	<u>141,135</u>	<u>24,314</u>	<u>181,930</u>
<i>Fund Cash Balances, December 31</i>	<u>\$16,173</u>	<u>\$147,982</u>	<u>\$24,316</u>	<u>\$188,471</u>

*See accompanying notes to the basic financial statements*

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2020*

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$211,974
Fines, Licenses and Permits	3,052
<i>Total Operating Cash Receipts</i>	<u>215,026</u>
<b>Operating Cash Disbursements</b>	
Personal Services	98,067
Employee Fringe Benefits	26,367
Contractual Services	54,807
Supplies and Materials	28,543
<i>Total Operating Cash Disbursements</i>	<u>207,784</u>
<i>Operating Income</i>	<u>7,242</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Miscellaneous Receipts	2,836
Capital Outlay	(280)
Other Financing Sources	2,042
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>4,598</u>
<i>Net Change in Fund Cash Balances</i>	11,840
<i>Fund Cash Balances, January 1</i>	<u>47,087</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$58,927</u></u>

*See accompanying notes to the basic financial statements*

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

The Village of Warsaw (the Village), Coshocton County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with the Coshocton County Sheriff's department to provide security of persons and property.

***Jointly Governed Organization***

The Village participates in a jointly governed organization. Note 10 to the financial statements provides additional information for this entity.

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Street Construction Maintenance and Repair*** This fund receives State gasoline tax and motor vehicle license registration fees restricted for constructing, maintaining, and repairing Village roads.

***Cemetery Fund*** This fund receives money from sales of plots and opening and closing on cemetery lots for maintaining its cemeteries.

***Park Fund*** This fund receives donations and swimming pool fees along with shelter rentals for Village Recreation.

***Oil and Gas Royalties Fund*** This fund was established to collect royalties from oil deposits for land donated to the Village. The land is part of the Village park and used for recreation.

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

***Permanent Funds*** These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent fund:

***Cemetery Endowment Fund*** This fund receives interest on the nonexpendable corpus from a trust agreement. These funds are used for the maintenance upkeep of the Village's cemetery.

***Enterprise Funds*** These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

***Water Fund*** This fund receives charges for services from residents to cover water service costs. This fund also takes in quarters from a vending water station. This fund has the quarters counted and then deposited as other Charges for Services.

***Sewer Fund*** This fund receives charges for services from residents to cover sewer service costs.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

***Encumbrances*** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Budgetary Process (Continued)***

A summary of 2020 budgetary activity appears in Note 3.

***Deposits***

All deposits are maintained in certificates of deposits, savings account, and checking accounts.

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

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

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

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

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$98,019	\$92,932	(\$5,087)
Special Revenue	197,875	135,738	(62,137)
Enterprise	234,700	219,904	(14,796)
Permanent	15	2	(13)
Total	\$530,609	\$448,576	(\$82,033)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$115,144	\$93,240	\$21,904
Special Revenue	339,010	128,891	210,119
Enterprise	281,143	208,064	73,079
Permanent	24,329	0	24,329
Total	\$759,626	\$430,195	\$329,431

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 4 – Deposits**

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

	<u>2020</u>
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$78,678
Certificates of deposit	6,500
Other time deposits (savings and NOW accounts)	<u>162,220</u>
Total carrying amount of deposits held in the Pool	<u><u>247,398</u></u>

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through 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.

**Note 5 – Taxes**

***Property Taxes***

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

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

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

**Note 6 – Risk Management**

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

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

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2020.

***Social Security***

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2020.

**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020.

**Note 9 – Debt**

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Park Improvement Bonds	\$59,393	3.95

The Village issued \$68,000 in Park Improvement Bonds in 2019 for the construction of new basketball courts at The Warsaw Community Park. The Village pledged to levy taxes on all taxable property within the ten-mill limitation to pay all debt charges, except for when monies are available from other sources to pay the debt. Debt payments were from charges for services within the Park Special Revenue Fund.



**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 9 – Debt (Continued)**

***Amortization***

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

Year Ending December 31:	Park Improvement Bonds
2021	\$11,217
2022	11,217
2023	11,217
2024	11,217
2025	11,217
2026	11,217
Total	<u><u>\$67,302</u></u>

**Note 10 – Jointly Governed Organizations**

Walhonding Valley Fire District (the District) The District provides fire protection for the Village. The District is directed by an appointment eleven-member Board of Trustees. One Board member is appointed by each political subdivision within the District with one member at large appointed from one of the political subdivisions. Those subdivisions are Bedford Township, Bethlehem Township, Clark Township, Jefferson Township, Monroe Township, New Castle Township, Perry Township, Tiverton Township, Village of Nellie, and Village of Warsaw. The District provides fire protection services to citizens within those areas. During 2020, the Village paid no monies to the District.

**Note 11 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the unexpendable corpus of the permanent funds. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>Permanent</u>
Nonspendable: Corpus	24,316
<i>Total</i>	<u><u>\$24,316</u></u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. In the general fund, subsequent year appropriations exceeding subsequent year estimated revenue are considered assigned.

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 12 – 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

On August 23, 2021, the Village received half of their current allocation from the American Rescue Plan Act of \$72,592. The full allocation is intended to benefit only the Village.

**Note 13 – Change in Accounting Principle**

For 2020, the Village has made changes to their cash basis reporting model. These changes include removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types. The effect of this change did not include restated beginning cash balance.

**Note 14 - Subsequent Events**

On August 30, 2021, the Village approved selling over 64 acres of land at \$5,325 per acre with a seven percent buyer's premium. This resulted in a sale price of \$368,052 which includes the buyer's premium.

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2019*

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$54,393	\$12,157	\$0	\$0	\$66,550
Intergovernmental	28,413	57,013	0	0	85,426
Charges for Services	608	91,987	0	0	92,595
Fines, Licenses and Permits	6,272	0	0	0	6,272
Earnings on Investments	1,452	7	0	3	1,462
Miscellaneous	1,876	50,837	0	0	52,713
<i>Total Cash Receipts</i>	<u>93,014</u>	<u>212,001</u>	<u>0</u>	<u>3</u>	<u>305,018</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	54,065	0	0	0	54,065
Public Health Services	690	41,090	0	0	41,780
Leisure Time Activities	1,602	157,329	0	0	158,931
Community Environment	2,841	0	0	0	2,841
Basic Utility Services	298	0	0	0	298
Transportation	0	31,806	0	0	31,806
General Government	49,742	4,736	0	0	54,478
Capital Outlay	0	0	68,000	0	68,000
<i>Total Cash Disbursements</i>	<u>109,238</u>	<u>234,961</u>	<u>68,000</u>	<u>0</u>	<u>412,199</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(16,224)</u>	<u>(22,960)</u>	<u>(68,000)</u>	<u>3</u>	<u>(107,181)</u>
<b>Other Financing Receipts</b>					
Sale of Bonds	0	0	68,000	0	68,000
Other Financing Sources	35	19,474	0	0	19,509
<i>Total Other Financing Receipts</i>	<u>35</u>	<u>19,474</u>	<u>68,000</u>	<u>0</u>	<u>87,509</u>
<i>Net Change in Fund Cash Balances</i>	<u>(16,189)</u>	<u>(3,486)</u>	<u>0</u>	<u>3</u>	<u>(19,672)</u>
<i>Fund Cash Balances, January 1</i>	<u>32,670</u>	<u>144,621</u>	<u>0</u>	<u>24,311</u>	<u>201,602</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable	0	0	0	24,314	24,314
Restricted	0	79,844	0	0	79,844
Committed	0	61,291	0	0	61,291
Assigned	16,481	0	0	0	16,481
<i>Fund Cash Balances, December 31</i>	<u>\$16,481</u>	<u>\$141,135</u>	<u>\$0</u>	<u>\$24,314</u>	<u>\$181,930</u>

See accompanying notes to the basic financial statements

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2019*

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$216,051
Fines, Licenses and Permits	\$10,862
<i>Total Operating Cash Receipts</i>	<u>226,913</u>
<b>Operating Cash Disbursements</b>	
Personal Services	89,290
Employee Fringe Benefits	24,673
Contractual Services	70,725
Supplies and Materials	31,276
<i>Total Operating Cash Disbursements</i>	<u>215,964</u>
<i>Operating Income</i>	<u>10,949</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Miscellaneous Receipts	3,269
Capital Outlay	(376)
Other Financing Sources	235
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>3,128</u>
<i>Net Change in Fund Cash Balances</i>	14,077
<i>Fund Cash Balances, January 1</i>	<u>33,010</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$47,087</u></u>
<i>See accompanying notes to the basic financial statements</i>	

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The Village of Warsaw (the Village), Coshocton County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with the Coshocton County Sheriff's department to provide security of persons and property.

***Jointly Governed Organization***

The Village participates in a jointly governed organization. Note 10 to the financial statements provides additional information for this entity.

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Street Construction Maintenance and Repair*** This fund receives State gasoline tax and motor vehicle license registration fees restricted for constructing, maintaining, and repairing Village roads.

***Cemetery Fund*** This fund receives money from sales of plots and opening and closing on cemetery lots for maintaining its cemeteries.

***Park Fund*** This fund receives donations and swimming pool fees along with shelter rentals for Village Recreation.

***Oil and Gas Royalties Fund*** This fund was established to collect royalties from oil deposits for land donated to the Village. The land is part of the Village park and used for recreation.

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

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

***Basketball Court Construction Fund*** The basketball court building construction fund accounts for and reports proceeds of park improvement bonds. The proceeds are restricted for construction of a new basketball court at The Warsaw Community Park.

***Permanent Funds*** These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent fund:

***Cemetery Endowment Fund*** This fund receives interest on the nonexpendable corpus from a trust agreement. These funds are used for the maintenance upkeep of the Village's cemetery.

***Enterprise Funds*** These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

***Water Fund*** This fund receives charges for services from residents to cover water service costs. This fund also takes in quarters from a vending water station. This fund has the quarters counted and then deposited as other Charges for Services.

***Sewer Fund*** This fund receives charges for services from residents to cover sewer service costs.

***Basis of Accounting***

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

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

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Budgetary Process***

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

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

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

***Encumbrances*** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2019 budgetary activity appears in Note 3.

***Deposits***

All deposits are maintained in certificates of deposits, savings account, and checking accounts.

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

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

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

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

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

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$99,597	\$93,049	(\$6,548)
Special Revenue	225,175	231,475	6,300
Capital Projects	68,000	68,000	0
Enterprise	216,875	230,417	13,542
Permanent	1,988	3	(1,985)
<b>Total</b>	<b>\$611,635</b>	<b>\$622,944</b>	<b>\$11,309</b>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$135,395	\$109,238	\$26,157
Special Revenue	368,797	234,961	133,836
Capital Projects	68,000	68,000	0
Enterprise	247,757	216,340	31,417
Permanent	26,299	0	26,299
<b>Total</b>	<b>\$846,248</b>	<b>\$628,539</b>	<b>\$217,709</b>



**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 4 – Deposits**

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

	<u>2019</u>
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$42,185
Certificates of deposit	6,500
Other time deposits (savings and NOW accounts)	180,332
Total carrying amount of deposits held in the Pool	<u><u>229,017</u></u>

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through 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.

**Note 5 – Taxes**

***Property Taxes***

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

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

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

**Note 6 – Risk Management**

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

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

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2019.

***Social Security***

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2019.

**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019.

**Note 9 – Debt**

Debt outstanding at December 31, 2019, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Park Improvement Bonds	\$68,000	3.95

The Village issued \$68,000 in Park Improvement Bonds in 2019 for the construction of new basketball courts at The Warsaw Community Park. The Village pledged to levy taxes on all taxable property within the ten-mill limitation to pay all debt charges, except for when monies are available from other sources to pay the debt. No debt payments were made in 2019. The Village intends to use charges for services revenue from the Park Special Revenue Fund to pay debt.

**Village of Warsaw, Ohio**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 9 – Debt (Continued)**

***Amortization***

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

Year Ending December 31:	Park Improvement Bonds
2020	\$11,217
2021	11,217
2022	11,217
2023	11,217
2024	11,217
2025 - 2026	22,434
Total	<u>\$78,519</u>

**Note 10 – Jointly Governed Organizations**

Walhonding Valley Fire District (the District) The District provides fire protection for the Village. The District is directed by an appointment eleven-member Board of Trustees. One Board member is appointed by each political subdivision within the District with one member at large appointed from one of the political subdivisions. Those subdivisions are Bedford Township, Bethlehem Township, Clark Township, Jefferson Township, Monroe Township, New Castle Township, Perry Township, Tiverton Township, Village of Nellie, and Village of Warsaw. The District provides fire protection services to citizens within those areas. During 2019, the Village paid no monies to the District.

**Note 11 – Compliance**

Contrary to Ohio Revised Code 21 5705.40, appropriations reported in the Village’s accounting system exceeded those approved by Council in the Cemetery Fund by \$19,474 and in the Parks Fund by 19,656 at December 31, 2019.

**Note 12 – Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. 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.

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# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

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

Village of Warsaw  
Coshocton County  
331 East Main Street  
PO Box 399  
Warsaw, Ohio 43844

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type combined total as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Warsaw, Coshocton County, (the Village) and have issued our report thereon dated December 29, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(D) permit. We noted the Village adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balance (Regulatory Cash Basis) – All Governmental Fund Types. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent periods of the Village.

### ***Internal Control Over Financial Reporting***

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

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

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Efficient • Effective • Transparent

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider Findings 2020-001 and 2020-002 to be material weaknesses.

***Compliance and Other Matters***

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2020-001.

***Village's Response to Findings***

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 29, 2021

VILLAGE OF WARSAW  
COSHOCOTON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019

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

FINDING NUMBER 2020-001

**Noncompliance and Material Weakness**

**Ohio Rev. Code § 5705.40** allowed any appropriation ordinance or measure to be amended or supplemented, provided that such amendment or supplement shall comply with all provisions of law governing the taxing authority in making an original appropriation and that no appropriation for any purpose shall be reduced below an amount sufficient to cover all unliquidated and outstanding contracts or obligations certified from or against the appropriation. **Ohio Admin Code § 117-2-02(C)(1)** required all local public offices to integrate budgetary accounts, at the legal level of control or lower into the financial accounting system in order to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations. The Village utilized a financial accounting system which was capable of integrating budgetary and actual financial information at a level lower than the legal level of budgetary control.

For 2019, appropriations reported in the Cemetery Fund according to the financial system was \$44,563 while the Council approved \$25,089 resulting in a variance of \$19,474. Appropriations reported in the Parks Fund according to the financial system was \$183,421 while the Council approved \$163,765 resulting in a variance of \$19,656. The total variance in appropriations for 2019 is \$39,130.

As a result, there was an increased risk that appropriations were posted without proper authorization and that expenditures could be made in excess of Council approved appropriations. Additionally, inaccurately posted budgetary information could lead to errors in reporting budget versus actual information in the notes to the financial statements. Additionally, utilizing inaccurate budgetary reports throughout the year increases the possibility that management will make financial decisions based off of inaccurate information.

Appropriations posted into the financial system should equal Council-approved appropriations. Any supplemental, or reduction, in appropriations should be approved by Council prior to being posted. This will help to provide accurate budget versus actual comparisons and allow management and the Council to make informed financial decisions.

**Officials' Response:**

The Village of Warsaw made the approval of Amended Certificate to be issued in the Cemetery Fund for \$19,474. This money was collected from Progressive Insurance for the auto accident that damaged several stones and property at Valley View Cemetery.

The other approval of Amended Certificate was for the Park fund for \$19,656. This money was from a Grant for the purchase of property connected to Riverview Community Park.

The Amended Certificates were issued from the Coshocton Auditor's Office from the approval of Village Council. The Village in the future will have to specifically approve the asking for Amended Certificate and then making Appropriations from the Amended Certificate.

VILLAGE OF WARSAW  
COSHOCKTON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-002

**Material Weakness**

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

Errors noted in the Village's financial statements and notes to the financial statements required audit adjustment and reclassification as follows:

- Errors were made in the posting of payroll disbursements between funds. For 2020, this resulted in General Fund disbursements being understated by \$4,300, and the General Fund Cash Fund Balance being overstated by \$4,300. Additionally, Enterprise Funds disbursements were overstated by \$4,300, and the Enterprise Fund Cash Fund Balance was understated by \$4,300. For 2019, this resulted in General Fund disbursements being understated by \$644, and the General Fund Cash Fund Balance being overstated by \$644. Additionally, Enterprise Funds disbursements were overstated by \$644, and the Enterprise Fund Cash Fund Balance was understated by \$644;
- For 2020, Intergovernmental Revenue was overstated by \$15,697 in the Special Revenue Funds. Miscellaneous Revenue was understated by the same amount. This occurred as donations received from non-governmental entities were incorrectly reported within Intergovernmental Revenue;
- For 2019, Charges for Services was overstated by \$19,474 in the Special Revenue Funds. Other Financing Sources was understated by the same amount. This occurred as insurance proceeds were incorrectly reported within Charges for Services;
- Governmental Accounting Standards Board (GASB) Statement No. 54 defined how fund balances were to be classified and was codified as follows:

GASB Cod. 1800.176 states that an appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.

The Village General Fund appropriations exceeded estimated revenues by \$16,481 for 2019. However, the Village reported the entire balance as Unassigned Fund Balance instead of an Assigned Fund Balance as required;

- The Village did not present budgeted versus actual expenditures in the notes to the financial statements. As a result, appropriations of \$759,626 and \$846,248 were not presented in the notes to the financial statements in 2020 and 2019, respectively;
- The Village did not present the amortization schedules relating to the Park Improvement Bond in the notes to the financial statements.



**VILLAGE OF WARSAW  
COSHOCOTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2020-002 (Continued)**

**Material Weakness (Continued)**

Sound financial reporting is the responsibility of the Village and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. These adjustments and reclassifications were agreed to by management, and the financial statements have been adjusted accordingly.

Additionally, the following insignificant adjustments and reclassifications were noted in the Village's financial statements:

- The Village received tax reimbursements from the State for non-business credits, owner occupancy credits and homestead credits. However, certain receipts were incorrectly reported as Property and Other Local Taxes instead of Intergovernmental. This resulted in General Fund Property and Other Local Taxes being overstated by \$3,924 and \$3,864 in 2020 and 2019, respectively. General Fund Intergovernmental Revenue was understated by the same amounts. Additionally, this resulted in Special Revenue Funds Property and Other Local Taxes being overstated by \$752 and \$740 in 2020 and 2019, respectively. Special Revenue Funds Intergovernmental Revenue was understated by the same amounts;
- The Village received permissive tax as levied by Coshocoton County under Ohio Rev. Code § 4504.15. The Village received half of the tax pursuant to that section of the Ohio Rev. Code. As the tax was levied by Coshocoton County, the portion received by the Village should be reported as Intergovernmental Revenue. However, the revenue was incorrectly reported as Property and Other Local Taxes. This resulted in Special Revenue Funds Property and Other Local Taxes being overstated by \$1,749 and \$1,878 in 2020 and 2019, respectively. Special Revenue Funds Intergovernmental Revenue was understated by the same amounts;
- The Village withdraws cash to be utilized for change funds for their pool. This was performed by reporting a disbursement. When the amount was returned and re-deposited into the bank, it was reported as a receipt. However, this activity was neither a receipt nor disbursement as the change funds were always in the possession of the Village. As a result, Leisure Time Activities Disbursements and Charges for Services were overstated by \$1,000 and \$1,625 in 2020 and 2019, respectively.

Failure to properly report financial activity could result in material misstatements occurring and remaining undetected and fail to provide management with an accurate picture of the Village's financial position and operations.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should take the necessary steps to ensure that all revenues, expenditures and equity of the Village are properly presented and disclosed in the Village's financial statements.

**Officials' Response:**

No response was received from the client.

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# Village of Warsaw

Post Office Box 399 Warsaw, Ohio 43844

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2020 AND 2019

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	Ohio Rev. Code 5705.15 – improper transfers.	Corrected	This fund is no longer used and the Perpetual Care money is no longer collected. This was corrected in 2019.
2018-002	Maintaining Support – No documentation was maintained for charges for services revenue and miscellaneous revenue.	Corrected	The Village no longer has Recreation fundraisers, etc. This was in effect at the year end of 2018.
2018-003	Financial Reporting – material adjustments and reclassifications.	Not Corrected	This will be corrected in the future audits. Repeated as 2020-002.

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF WARSAW**

**COSHOCTON COUNTY**

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

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



**Certified for Release 1/3/2022**

88 East Broad 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)