



**VILLAGE OF ARCHBOLD
FULTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022-2021

VILLAGE OF ARCHBOLD
FULTON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2022	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Fund Type For the Year Ended December 31, 2022	6
Combined Statement of Additions, Deductions and Changes in Fund Balance (Regulatory Cash Basis) – Fiduciary Fund Type For the Year Ended December 31, 2022	7
Notes to the Financial Statements For the Year Ended December 31, 2022	8
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2021	19
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Fund Type For the Year Ended December 31, 2021	20
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) – All Fiduciary Fund Types For the Year Ended December 31, 2021	21
Notes to the Financial Statements For the Year Ended December 31, 2021	22
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	35

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INDEPENDENT AUDITOR'S REPORT

Village of Archbold
Fulton County
300 North Defiance Street
P.O. Box 406
Archbold, Ohio 43502-0406

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Archbold, Fulton County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2022 and 2021, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

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

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

Emphasis of Matter

As discussed in Note 15 to the 2022 to the financial statements and Note 16 to the 2021 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. 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 financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2023, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 31, 2023

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**VILLAGE OF ARCHBOLD
FULTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCES (REGULATORY CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$794,604				\$794,604
Municipal Income Tax	825,551	\$1,496,735		\$3,332,171	5,654,457
Intergovernmental	180,308	571,970		225,109	977,387
Special Assessments			\$17,299		17,299
Charges for Services	1,374,924	270,822			1,645,746
Fines, Licenses and Permits	72,497	20			72,517
Earnings on Investments	25,323	30,288		66,358	121,969
Miscellaneous	12,934	222,189		77,357	312,480
<i>Total Cash Receipts</i>	<u>3,286,141</u>	<u>2,592,024</u>	<u>17,299</u>	<u>3,700,995</u>	<u>9,596,459</u>
Cash Disbursements					
Current:					
Security of Persons and Property	2,142,973	4,386			2,147,359
Public Health Services		78,197			78,197
Leisure Time Activities		774,394			774,394
Community Environment	25,447			852,717	878,164
Basic Utility Services	333,450				333,450
Transportation		656,020			656,020
General Government	841,888	39,142			881,030
Capital Outlay	1,306	618,997		3,152,084	3,772,387
Debt Service:					
Principal Retirement		115,000	15,000	65,270	195,270
Interest and Fiscal Charges		20,612	2,812	5,778	29,202
<i>Total Cash Disbursements</i>	<u>3,345,064</u>	<u>2,306,748</u>	<u>17,812</u>	<u>4,075,849</u>	<u>9,745,473</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(58,923)</u>	<u>285,276</u>	<u>(513)</u>	<u>(374,854)</u>	<u>(149,014)</u>
Other Financing Receipts (Disbursements)					
Loans Issued				733,432	733,432
Transfers In		45,000			45,000
Transfers Out	(45,000)				(45,000)
Advances In	465				465
Advances Out			(465)		(465)
Other Financing Sources	394,661			34,381	429,042
Other Financing Uses	(58,302)	(68,900)		(94,180)	(221,382)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>291,824</u>	<u>(23,900)</u>	<u>(465)</u>	<u>673,633</u>	<u>941,092</u>
<i>Net Change in Fund Cash Balances</i>	232,901	261,376	(978)	298,779	792,078
<i>Fund Cash Balances, January 1</i>	934,004	1,670,539	4,952	3,898,245	6,507,740
<i>Fund Cash Balances, December 31</i>	<u>\$1,166,905</u>	<u>\$1,931,915</u>	<u>\$3,974</u>	<u>\$4,197,024</u>	<u>\$7,299,818</u>

See accompanying notes to the basic financial statements

**VILLAGE OF ARCHBOLD
FULTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCES (REGULATORY CASH BASIS) - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$4,692,689
Operating Cash Disbursements	
Personal Services	1,152,153
Contractual Services	617,786
Supplies and Materials	858,267
<i>Total Operating Cash Disbursements</i>	2,628,206
<i>Operating Income</i>	2,064,483
Non-Operating Receipts (Disbursements)	
Earnings on Investments	65,656
Loans Issued	2,536,906
Miscellaneous Receipts	127,285
Capital Outlay	(3,030,251)
Principal Retirement	(640,643)
Interest and Other Fiscal Charges	(119,012)
Other Financing Sources	4,621
Other Financing Uses	(227,354)
<i>Total Non-Operating Receipts (Disbursements)</i>	(1,282,792)
<i>Net Change in Fund Cash Balances</i>	781,691
<i>Fund Cash Balances, January 1</i>	3,478,246
<i>Fund Cash Balances, December 31</i>	\$4,259,937

See accompanying notes to the basic financial statements

**VILLAGE OF ARCHBOLD
FULTON COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN
FUND BALANCE (REGULATORY CASH BASIS) - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Fiduciary Fund Type
	Custodial
	Other Custodial
Additions	
Amounts Received as Fiscal Agent	\$45,938
Deductions	
Distributions as Fiscal Agent	88,994
<i>Net Change in Fund Balance</i>	(43,056)
<i>Fund Cash Balance, January 1</i>	249,459
<i>Fund Cash Balance, December 31</i>	\$206,403

See accompanying notes to the basic financial statements

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Archbold (the Village), Fulton County, Ohio 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, police services, emergency medical services, road maintenance, and cemetery maintenance. The Village appropriates general fund money to support a volunteer fire department.

Public Entity Risk Pools and Related Organization

The Archbold Community Improvement Corporation (the Corporation) acts as the agency and instrumentality of the Village. The Corporation is comprised of seven trustees and four officers. The Trustees are appointed by the Mayor and include individuals from local businesses which have an interest in economic development. Three of the four officers are permanent members of Village management and the fourth is an at-large position. The activity of the Corporation is reflected in the Custodial Fund.

The Village participates in the Public Entities Pool of Ohio, the Buckeye Ohio Risk Management Agency, Inc. and the Ohio Municipal League Group Rating Plan public entity risk pools. Notes 6 and 10 to the financial statements provide additional information for these entities.

The Village's management believes these financial statements present all activities for which the Village is financially accountable, except for the land which is held in the name of the Archbold Community Improvement Corporation. Note 11 to the financial statements describes this asset.

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 and a combined statement of additions, deductions and changes in fund balance (regulatory cash basis) for fiduciary fund type 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:

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

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

Parks & Recreation Fund - This fund receives local income tax, donations, and charges for service monies for the purpose of providing leisure time activities for the general public and maintaining the Village parks.

American Rescue Plan Act Fund - This fund receives American Rescue Plan Act funding which will be used to partially pay for a sanitary sewer lining project.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

Special Assessment – Primrose and Lugbill Fund - This fund receives special assessment revenue for the repayment of special assessment bond issues.

Special Assessment – Murbach #5-03 - This fund receives special assessment revenue for the repayment of special assessment bond issues.

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:

Capital Projects Fund - This fund receives local income tax for various construction and improvement projects.

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 and commercial users to cover water service costs.

Sewer Fund - This fund receives charges for services from residents and commercial users to cover sewer service costs.

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for activity of the Archbold Community Improvement Corporation (the Corporation) which is described in detail in Note 11.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

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

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

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

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.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

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

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

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

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 13.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,594,215	\$3,681,267	\$87,052
Special Revenue	2,445,990	2,637,024	191,034
Debt Service	17,813	17,299	(514)
Capital Projects	4,206,830	4,468,808	261,978
Enterprise	8,365,259	7,427,157	(938,102)
Total	\$18,630,107	\$18,231,555	(\$398,552)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,045,183	\$3,448,366	\$596,817
Special Revenue	3,216,044	2,828,648	387,396
Debt Service	18,278	18,277	1
Capital Projects	5,637,926	4,838,040	799,886
Enterprise	7,427,132	6,645,466	781,666
Total	\$20,344,563	\$17,778,797	\$2,565,766

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The Village also has segregated accounts which include clearing accounts that are not part of this pool. A summary of the Village's deposit and investment accounts are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$11,766,158
<i>Segregated Accounts - Not held in the Pool:</i>	
Payroll Clearing Account (Not held in Pool)	\$42,024

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statement reflect gross payroll. The balance in the Village's payroll clearing account represent unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

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 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.

Income Taxes

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

On the May 3, 2022 primary election voters approved a 0.30% income tax levy increase for Police and EMS Services effective January 1, 2023.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 6 – Risk Management

Buckeye Ohio Risk Management Agency

The Village is a member of the Buckeye Ohio Risk Management Agency, Inc. (the Pool). The Pool assumes the risk of loss up to the limits of the Village's Employee Health Plan policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. The Pool covers the following risks:

- Medical Benefits;
- Prescription drug; and
- Dental benefits

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021 (the latest information available):

	<u>2021</u>
Assets	\$9,849,164
Liabilities	\$2,688,265

Risk Management

The Village of Archbold is also 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 of Archbold's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's 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, 2021 (latest information available).

	<u>2021</u>
Cash and investments	\$41,996,850
Actuarial liabilities	\$14,974,099

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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, 2022.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2022.

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, 2022.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$1,850,000	various
Special Assessment Bonds	35,000	various
Meter Upgrade Note Series 2019	457,595	2.95%
OWDA WWTP Improvements	3,634,638	1.42%
OWDA GAC Water System and Improvements	8,183,667	0.68%
OWDA Elevated Water Tower	1,180,409	0.85%
Total	<u>\$15,341,309</u>	

The General Obligation Bonds were issued (1) to pay costs of improving Woodland and Memorial Parks and (2) to pay a portion of the costs of improving and expanding the Village's Wastewater Treatment Plant. The 2016 refunding of a portion of the 2010 bonds will mature in 2030. The Parks & Recreation Fund and the Sewer Fund will pay for the debt. Debt payments will be made semi-annually. The Village's taxing authority collateralized the bonds.

The Special Assessment Bonds consist of sewer and street improvements, which are payable from the proceeds of tax assessments against individual property owners. However, the Village does pledge its full faith and credit and revenues to the payment of the debt charges on such bonds.

The Water Meter Upgrade Note, Series 2019 was issued for the purpose of paying costs of improving the Village's water meter reading system. The Note is payable monthly using revenue proceeds from the Water and Wastewater Funds. Monthly payments of \$10,568 will be made until October 11, 2026.

The Ohio Water Development Authority (OWDA) loan relates to a Wastewater Treatment Plant Improvements Aeration Tank Expansion Project. The Village will repay the loans in semiannual installments of \$143,597 including interest, over 15 years beginning in July 2022. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan relates to a Water Treatment Plant Improvement Granulated Activated Carbon (GAC) and Ultraviolet (UV) Disinfection Project. The Village will repay the loans in semiannual installments of \$224,413 including interest, over 20 years beginning in January 2023. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

The Ohio Water Development Authority (OWDA) loan relates to a Elevated Water Storage Tank Project. The Village will repay the loans in semiannual installments including interest, over 10 years beginning in January 2023. The Village’s taxing authority collateralized the loan. A final amortization schedule is not available as of the report date.

Amortization

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

Year Ending December 31:	General Obligation Bonds	Special Assessment Bonds	Water Meter Upgrade Note Series 2019	OWDA Loans
2023	\$262,538	\$21,969	\$126,822	\$736,021
2024	263,038	15,844	126,822	736,021
2025	263,437		126,822	736,021
2026	263,738		105,685	736,021
2027	258,938			736,021
2028-2032	708,113			3,680,107
2033-2037				3,392,912
2038-2042				2,019,719
Total	<u>\$2,019,802</u>	<u>\$37,813</u>	<u>\$486,151</u>	<u>\$12,772,843</u>

Note 10 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 11 – Related Organizations

Archbold Community Improvement Corporation

The Archbold Community Improvement Corporation (the Corporation) owns land which was purchased by the Village in the name of the Corporation. In the event this land is sold, all proceeds will revert to the Village. The appraised value of this land totals \$2,443,500 as of December 31, 2022.

Note 12 – Related Party Transactions

Brad Short, a Village Council Member, is employed by Kenn-Feld Group LLC which is a local dealership that sells various supplies and parts as well as John Deere equipment through Deere & Co. In 2022 the Village spent \$5,293 in various purchases from Kenn-Feld Group and \$44,400 from Deere & Co. The purchases were presented on the bills and payroll reports approved by Village Council with full knowledge of Mr. Short’s employment at Kenn-Feld.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 13 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$ 453,000	\$ 668,011	\$ 1,121,011

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund is restricted committed or assigned. These restricted, committed and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 15 – 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 continues. During 2022 the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

The Village’s interest rate fluctuates with market conditions, and due to market volatility, the amount of interest that will be realized in subsequent periods, if any, cannot be determined.

Note 16 – Other Financing Sources

The Village charges the cost of operations originally expensed out of the General Fund to other Village funds based on percentages passed by Council resolution. In 2022, the General Fund had \$394,661 in Other Financing Sources due to reimbursements from other Village Funds.

Note 17 - Miscellaneous Receipts

Special Revenue miscellaneous receipts primarily consisted of donations and reimbursements.

**VILLAGE OF ARCHBOLD
FULTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCES (REGULATORY CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Combined Total</u>
Cash Receipts					
Property and Other Local Taxes	\$789,412				\$789,412
Municipal Income Tax	745,669	\$1,321,987		\$3,143,170	5,210,826
Intergovernmental	163,302	685,402		259,327	1,108,031
Special Assessments			\$80,222		80,222
Charges for Services	1,151,245	235,672			1,386,917
Fines, Licenses and Permits	75,870	45			75,915
Earnings on Investments	4,156	4,688		16,080	24,924
Miscellaneous	180,256	236,535		69,290	486,081
<i>Total Cash Receipts</i>	<u>3,109,910</u>	<u>2,484,329</u>	<u>80,222</u>	<u>3,487,867</u>	<u>9,162,328</u>
Cash Disbursements					
Current:					
Security of Persons and Property	1,924,446	9,304			1,933,750
Public Health Services		65,408			65,408
Leisure Time Activities		719,930			719,930
Community Environment	192,512			904,744	1,097,256
Basic Utility Services	317,330				317,330
Transportation		602,240			602,240
General Government	903,456	56,426			959,882
Capital Outlay	13,873	372,572		3,877,390	4,263,835
Debt Service:					
Principal Retirement		110,000	75,000		185,000
Interest and Fiscal Charges		25,012	6,926		31,938
<i>Total Cash Disbursements</i>	<u>3,351,617</u>	<u>1,960,892</u>	<u>81,926</u>	<u>4,782,134</u>	<u>10,176,569</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(241,707)</u>	<u>523,437</u>	<u>(1,704)</u>	<u>(1,294,267)</u>	<u>(1,014,241)</u>
Other Financing Receipts (Disbursements)					
Loans Issued				507,505	507,505
Transfers In		45,000			45,000
Transfers Out	(45,000)				(45,000)
Advances In	350		465		815
Advances Out	(465)		(350)		(815)
Other Financing Sources	382,786			35,296	418,082
Other Financing Uses	(56,548)	(52,741)		(91,347)	(200,636)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>281,123</u>	<u>(7,741)</u>	<u>115</u>	<u>451,454</u>	<u>724,951</u>
<i>Net Change in Fund Cash Balances</i>	39,416	515,696	(1,589)	(842,813)	(289,290)
<i>Fund Cash Balances, January 1</i>	<u>894,588</u>	<u>1,154,843</u>	<u>6,541</u>	<u>4,741,058</u>	<u>6,797,030</u>
<i>Fund Cash Balances, December 31</i>	<u>\$934,004</u>	<u>\$1,670,539</u>	<u>\$4,952</u>	<u>\$3,898,245</u>	<u>\$6,507,740</u>

See accompanying notes to the basic financial statements

**VILLAGE OF ARCHBOLD
FULTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCES (REGULATORY CASH BASIS) - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$4,243,529
Operating Cash Disbursements	
Personal Services	1,075,403
Contractual Services	487,883
Supplies and Materials	765,147
<i>Total Operating Cash Disbursements</i>	2,328,433
<i>Operating Income</i>	1,915,096
Non-Operating Receipts (Disbursements)	
Earnings on Investments	11,147
Loans Issued	8,634,971
Miscellaneous Receipts	220,487
Capital Outlay	(9,163,606)
Principal Retirement	(1,713,312)
Interest and Other Fiscal Charges	(83,935)
Other Financing Sources	320,026
Other Financing Uses	(240,192)
<i>Total Non-Operating Receipts (Disbursements)</i>	(2,014,414)
<i>Loss before Transfers</i>	(99,318)
Transfers In	510,018
Transfers Out	(510,018)
<i>Net Change in Fund Cash Balances</i>	(99,318)
<i>Fund Cash Balances, January 1</i>	3,577,564
<i>Fund Cash Balances, December 31</i>	\$3,478,246

See accompanying notes to the basic financial statements

**VILLAGE OF ARCHBOLD
FULTON COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN
FUND BALANCES (REGULATORY CASH BASIS) - ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Fiduciary Fund Types		Combined Total
	Private Purpose Trust	Custodial	
		Other Custodial	
Additions			
Amounts Received as Fiscal Agent		\$292,590	\$292,590
Deductions			
Distributions as Fiscal Agent		168,948	168,948
Other Distributions	\$719		719
<i>Total Deductions</i>	719	168,948	169,667
<i>Net Change in Fund Balances</i>	(719)	123,642	122,923
<i>Fund Cash Balances, January 1</i>	\$719	125,817	126,536
<i>Fund Cash Balances, December 31</i>		\$249,459	\$249,459

See accompanying notes to the basic financial statements

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Archbold (the Village), Fulton County, Ohio 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, police services, emergency medical services, road maintenance, and cemetery maintenance. The Village appropriates general fund money to support a volunteer fire department.

Public Entity Risk Pools and Related Organization

The Archbold Community Improvement Corporation (the Corporation) acts as the agency and instrumentality of the Village. The Corporation is comprised of seven trustees and four officers. The Trustees are appointed by the Mayor and include individuals from local businesses which have an interest in economic development. Three of the four officers are permanent members of Village management and the fourth is an at-large position. The activity of the Corporation is reflected in the Custodial Fund.

The Village participates in the Public Entities Pool of Ohio, the Buckeye Ohio Risk Management Agency, Inc. and the Ohio Municipal League Group Rating Plan public entity risk pools. Notes 7 and 11 to the financial statements provide additional information for these entities.

The Village's management believes these financial statements present all activities for which the Village is financially accountable, except for the land which is held in the name of the Archbold Community Improvement Corporation. Note 12 to the financial statements describes this asset.

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 and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary 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:

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

Parks & Recreation Fund - This fund receives local income tax, donations, and charges for service monies for the purpose of providing leisure time activities for the general public and maintaining the Village parks.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

Special Assessment – Primrose and Lugbill Fund - This fund receives special assessment revenue for the repayment of special assessment bond issues.

Special Assessment – Murbach #5-03 - This fund receives special assessment revenue for the repayment of special assessment bond issues.

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:

Capital Projects Fund - This fund receives local income tax for various construction and improvement projects.

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 and commercial users to cover water service costs.

Sewer Fund - This fund receives charges for services from residents and commercial users to cover sewer service costs.

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

The Village's private purpose trust fund is for the benefit of L.E. Short's Sidewalk Fund which accounts for monies collected privately for the Lowell E Short's Fifth Addition subdivision for installation of new sidewalks.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for activity of the Archbold Community Improvement Corporation (the Corporation) which is described in detail in Note 12.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

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.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Fund Balance

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

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

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

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

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

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

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 14.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,300,747	\$3,493,046	\$192,299
Special Revenue	1,898,953	2,529,329	630,376
Debt Service	81,927	80,687	(1,240)
Capital Projects	4,695,000	4,030,668	(664,332)
Enterprise	16,885,188	13,940,178	(2,945,010)
Total	\$26,861,815	\$24,073,908	(\$2,787,907)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,719,500	\$3,455,113	\$264,387
Special Revenue	2,200,175	2,013,633	186,542
Debt Service	82,277	82,276	1
Capital Projects	6,603,142	6,077,407	525,735
Enterprise	17,838,565	16,525,029	1,313,536
Trust	719	719	
Total	\$30,444,378	\$28,154,177	\$2,290,201

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The Village also has segregated accounts which include clearing accounts that are not part of this pool. A summary of the Village's deposit and investment accounts are as follows:

	<u>2021</u>
<i>Cash Management Pool:</i>	
Demand deposits	<u>\$10,235,445</u>
<i>Segregated Accounts - Not held in the Pool:</i>	
Payroll Clearing Account (Not held in Pool)	<u>\$37,211</u>

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statement reflect gross payroll. The balance in the Village's payroll clearing account represent unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

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 real property located within the Village.

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

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Income Taxes

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 – Interfund Balance

Advances

Outstanding advances at December 31, 2021, consisted of \$465 advanced from the General Fund to Debt Service Fund to provide monies for repayment of special assessment bonds.

Transfers

	Transfer From		
Transfers To	General Fund	Water R & I Fund	Sewer R & I Fund
Special Revenue Funds:			
Cemetery Fund	\$30,000		
Law Enforcement Trust Fund	15,000		
Enterprise Funds:			
Water Fund		\$100,558	
Wastewater Fund			\$409,460
Total	\$45,000	\$100,558	\$409,460

The Village transferred monies from the General fund to the Cemetery and Law Enforcement Trust funds to fund operating costs. Transfers were also made between Enterprise funds to close out the R & I fund.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 7 – Risk Management

Buckeye Ohio Risk Management Agency

The Village is a member of the Buckeye Ohio Risk Management Agency, Inc. (the Pool). The Pool assumes the risk of loss up to the limits of the Village's Employee Health Plan policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. The Pool covers the following risks:

- Medical Benefits;
- Prescription drug; and
- Dental benefits

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December, 2021:

	2021
Assets	\$9,849,164
Liabilities	\$2,688,265

Risk Management

The Village is also 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
- 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, 2021:

	2021
Cash and investments	\$41,996,850
Actuarial liabilities	\$14,974,099

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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, 2021.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2021.

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, 2021.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 10 – Debt

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$2,065,000	various
Special Assessment Bonds	50,000	various
Meter Upgrade Note Series 2019	569,218	2.95%
OWDA WWTP Improvements	3,867,735	1.42%
OWDA GAC Water System and Improvements	5,819,894	0.68%
OWDA Elevated Water Tower	508,892	0.85%
Total	<u>\$12,880,739</u>	

The General Obligation Bonds were issued (1) to pay costs of improving Woodland and Memorial Parks and (2) to pay a portion of the costs of improving and expanding the Village's Wastewater Treatment Plant. The 2016 refunding of a portion of the 2010 bonds will mature in 2030. The Parks & Recreation Fund and the Sewer Fund will pay for the debt. Debt payments will be made semi-annually. The Village's taxing authority collateralized the bonds.

The Special Assessment Bonds consist of sewer and street improvements, which are payable from the proceeds of tax assessments against individual property owners. However, the Village does pledge its full faith and credit and revenues to the payment of the debt charges on such bonds.

The Water Meter Upgrade Note, Series 2019 was issued for the purpose of paying costs of improving the Village's water meter reading system. The Note is payable monthly using revenue proceeds from the Water and Wastewater Funds. Monthly payments of \$10,568 will be made until October 11, 2026.

The Ohio Water Development Authority (OWDA) loan relates to a Wastewater Treatment Plant Improvements Aeration Tank Expansion Project. The Village will repay the loans in semiannual installments of \$143,597 including interest, over 15 years beginning in July 2022. Sewer receipts collateralize the loan. The Village has agreed to set sewer rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan relates to a Water Treatment Plant Improvements Granular Activated Carbon (GAC) and Ultra Violet (UV) Disinfection Project. The Village will repay the loans in semiannual installments of \$224,413 including interest over 20 years beginning in January 2023. Water receipts collateralize the loan. The Village has agreed to set water rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan relates to an Elevated Water Storage Tank Project. The Village will repay the loans in semiannual installments including interest over 10 years beginning in January 2023. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. The Village's taxing authority collateralized the loans. A final amortization schedule is not available as of the report date.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Amortization

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

Year Ending December 31:	General Obligation Bonds	Special Assessment Bonds	Water Meter Upgrade Note Series 2019	OWDA Loans
2022	\$256,838	\$17,812	\$126,822	\$511,608
2023	262,538	21,969	126,822	736,021
2024	263,038	15,844	126,822	736,021
2025	263,437		126,822	736,021
2026	263,737		105,684	736,021
2027-2031	967,050			3,680,107
2032-2036				3,680,107
2037-2041				2,244,132
2042				224,414
Total	\$2,276,638	\$55,625	\$612,972	\$13,284,452

Note 11 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 12 – Related Organization

Archbold Community Improvement Corporation

The Archbold Community Improvement Corporation (the Corporation) owns land which was purchased by the Village in the name of the Corporation. In the event this land is sold, all proceeds will revert to the Village. The appraised value of this land totals \$2,443,500 as of December 31, 2021.

Note 13 – Related Party Transactions

Brad Short, a Village Council Member, is employed by Kenn-Feld Group LLC which is a local dealership that sells various supplies and parts as well as John Deere equipment through Deere & Co. In 2021 the Village spent \$5,897 in various purchases from Kenn-Feld Group and \$25,182 from Deere & Co. The purchases were presented on the bills and payroll reports approved by Village Council with full knowledge of Mr. Short’s employment at Kenn-Feld.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 14 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Capital Projects	Total
Outstanding Encumbrances	\$ 1,483	\$ 1,203,926	\$ 1,205,409

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund is restricted committed or assigned. These restricted, committed and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 15 – Subsequent Events

The Village has approved ballot issue for the May 3, 2022 primary election proposing a 0.3% levy increase on income to be used for Police, Fire and EMS services, which was passed.

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 continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may 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.

The Village’s interest rate fluctuates with market conditions, and due to market volatility, the amount of interest that will be realized in subsequent periods, if any, cannot be determined.

Village of Archbold
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 17 – Other Financing Sources

The Village charges the cost of operations originally expensed out of the General Fund to other Village funds based on percentages passed by Council resolution. In 2021, the General Fund had \$382,786 in Other Financing Sources due to reimbursements from other Village funds.

Enterprise Fund received reimbursements from ConAgra to cover 80% of expenses associated with the Wastewater Aeration Tank Expansion Project. The Village posted these receipts in Other Financing Sources.

Note 18 – Miscellaneous Receipts

General Fund, Special Revenue and Enterprise Fund miscellaneous receipts primarily consisted of dividend rebates received from the Ohio Bureau of Worker's Compensation, farm rental receipts, donations, and project reimbursements.

OHIO AUDITOR OF STATE KEITH FABER



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

Village of Archbold
Fulton County
300 North Defiance Street
P.O. Box 406
Archbold, Ohio 43502-0406

To the Village Council:

We have audited, in accordance the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of Archbold, Fulton County, Ohio (the Village) and have issued our report thereon dated May 31, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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*.

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

May 31, 2023

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ARCHBOLD

FULTON 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 6/20/2023

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