

**VILLAGE OF WILLSHIRE  
VAN WERT COUNTY**

**REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**



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OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Willshire  
110 State Street  
Willshire, OH 45898

We have reviewed the *Independent Auditor's Report* of the Village of Willshire, Van Wert County, prepared by Gueye & Associates, CPA, for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

September 22, 2023

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**VILLAGE OF WILLSHIRE  
VAN WERT COUNTY  
DECEMBER 31, 2022 AND 2021  
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## INDEPENDENT AUDITOR'S REPORT

Village of Willshire  
Van Wert County  
110 State Street  
P.O. Box 110  
Willshire, Ohio 45898

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 Willshire, Van Wert 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 December 31, 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 December 31, 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 December 31, 2021, or the changes in financial position 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 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.

***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.



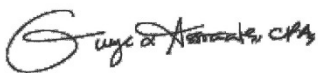
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- 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 July 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.



Columbus, Ohio  
July 31, 2023

VILLAGE OF WILLSHIRE, VAN WERT COUNTY

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)**

**All Governmental Fund Types**

For the Year Ended December 31, 2022

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 40,184	\$ 10,482	\$ 50,666
Municipal Income Tax	78,129	-	78,129
Intergovernmental	25,729	52,345	78,074
Charges for Services	-	26,476	26,476
Fines, Licenses and Permits	3,239	-	3,239
Earnings on Investments	1,457	212	1,669
Miscellaneous	2,783	10,350	13,133
<i>Total Cash Receipts</i>	<u>151,521</u>	<u>99,865</u>	<u>251,386</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons & Property	8,492	33,111	41,603
Public Health Services	-	7,233	7,233
Leisure Time Activities	6,141	-	6,141
Basic Utility Services	-	19,533	19,533
Transportation	-	36,178	36,178
General Government	90,240	772	91,012
Capital Outlay	-	12,690	12,690
<i>Total Cash Disbursements</i>	<u>104,873</u>	<u>109,517</u>	<u>214,390</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>46,648</u>	<u>(9,652)</u>	<u>36,996</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Transfers In		11,000	11,000
Transfers Out	(11,000)		(11,000)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(11,000)</u>	<u>11,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	35,648	1,348	36,996
<i>Fund Cash Balances, January 1</i>	<u>173,901</u>	<u>248,116</u>	<u>422,017</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 209,549</u>	<u>\$ 249,464</u>	<u>\$ 459,013</u>

See accompanying notes to the basic financial statements

VILLAGE OF WILLSHIRE, VAN WERT COUNTY

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash  
All Proprietary Fund Types**

For the Year Ended December 31, 2022

	<u>Proprietary Funds Type</u>
	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 341,772
<i>Total Operating Cash Receipts</i>	<u>341,772</u>
<b>Operating Cash Disbursements</b>	
Personal Services	58,975
Employee Fringe Benefits	9,292
Contractual Services	55,138
Supplies and Materials	90,528
<i>Total Operating Cash Disbursements</i>	<u>213,933</u>
<i>Operating Income (Loss)</i>	127,839
<b>Non-Operating Receipts (Disbursements)</b>	
Miscellaneous Receipts	300
Capital Outlay	(13,360)
Principal Retirement	(24,573)
Interest and Other Fiscal Charges	(8,172)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(45,805)</u>
<i>Net Change in Fund Cash Balances</i>	82,034
<i>Fund Cash Balances, January 1</i>	<u>380,961</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 462,995</u>

*See accompanying notes to the basic financial statements*

VILLAGE OF WILLSHIRE, VAN WERT COUNTY  
**Combined Statement of Receipts, Disbursements and Changes in Fund Balances**  
**All Fiduciary Fund Types**  
For the Year Ended December 31, 2022

	Fiduciary Funds Type
	Private Purpose Trust
<b>Additions</b>	
Earnings on Investments (trust funds only)	\$ -
Gifts and Donations (trust funds only)	-
<i>Total Additions</i>	-
<b>Deductions</b>	
Other Distributions	-
<i>Total Deductions</i>	-
<i>Net Change in Fund Balances</i>	-
<i>Fund Cash Balances, January 1</i>	1,001
<i>Fund Cash Balances, December 31</i>	\$1,001

*See accompanying notes to the basic financial statements*

**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

The Village of Willshire, Van Wert 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 and with a three member publicly elected Board of Public Affairs. The Village appropriates general fund money to support a volunteer fire department.

***Jointly Governed Organizations and Public Entity Risk Pools***

The Village participates in public entity risk pools. Notes 7 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.

**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 the enterprise funds.

***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 Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing village streets.

State Highway- This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing State Highways in the village.

Permissive Motor Vehicle License Tax - This fund receives permissive vehicle tax money for constructing, maintaining and repairing village streets.

Fire Fund – This fund receives money to support a volunteer fire department and to provide fire protection services.

**Village of Willshire, Ohio**  
Van Wert County  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**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 Operating Fund- This fund receives charges for services from residents to cover the cost of providing the utility.

Water Improvement Fund – Used to pay current water services and start to save and plan for needed improvements for the future.

Wastewater Operating Fund- This fund receives charges for services from residents to cover the cost of providing this utility.

**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.

The Village's private purpose trust fund is for the benefit of the Village's residents. The Village had the following private purpose trust fund.

Cemetery Bequest Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Village's cemetery.

***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 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 (C) permit.

***Budgetary Process***

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

***Appropriations***

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, 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.

**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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***Deposits and Investments***

The Village does not have any investments. All money is maintained in 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.

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.

**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2022 follows:

<b>2022 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$143,682	\$151,521	\$7,839
Special Revenue	91,915	110,865	18,950
Capital Projects	0	0	0
Enterprise	315,200	341,772	26,572
<b>Total</b>	<b>\$550,797</b>	<b>\$604,158</b>	<b>\$53,361</b>

<b>2022 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$168,114	\$118,774	\$49,340
Special Revenue	164,907	111,382	53,525
Enterprise	408,193	269,378	138,815
<b>Total</b>	<b>\$741,214</b>	<b>\$499,534</b>	<b>\$241,680</b>

**Note 4 – Deposits**

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. A summary of the Village's deposit accounts is as follows:

	2022
Demand deposits	\$896,723
Certificates of deposit	25,269
Other time deposits (savings and NOW accounts)	1,017
<b>Total deposits</b>	<b>\$923,009</b>

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village; The Village's Certificate of Deposit is valued at cost.

**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.



**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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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.

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. % 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.

The Village contracts with the Regional Income Tax Agency (R.I.T.A) to provide income tax collection and administrative services. The Village Fiscal Officer serves as the liaison between the Village and R.I.T.A for Income tax information and administrative issues.

**Note 6 – Interfund Balances**

Outstanding advances at December 31, 2022, consisted of \$60,000 advanced to the Water fund from the General fund to provide working capital for operations or projects.

**Note 7 - Risk Management**

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

***Risk Pool Membership***

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

—	Assets	\$ 21,777,439
	Liabilities	<u>( 15,037,383)</u>
	Members' Equity	<u>\$ 6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

***Social Security***

One Village employee 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**

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 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.

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.

**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 9 – Debt**

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

	<u>Principal Outstanding</u>
USDA / RD Water Fund Bonds	\$134,451
OPWC CT50T Loan	68,363
OWDA Water Fund Loan	17,792
KS State Bank Government Obligation	24,214
Total	<u>\$244,820</u>

The USDA/RD loan is for construction of a new water plant facility and is considered as mortgage revenue bonds. The loan was authorized March 8, 1999 for \$209,000, with the first payment due March 1, 2000 and payable in annual installments with revenues generated from water billings over a period of 40 years. The Village does not have any plans to retire this debt at a date earlier than its scheduled maturity date. Payments were made out of the Water fund.

The Ohio Water Development Authority (OWDA) loan 2921 is for construction of a new water treatment plant facility. The loan was authorized January 29, 1998, with the first payment due June 1, 1999 and payable in semi-annual installments of \$5,987 which includes interest, with revenues generated from water billings over a period of 25 years. The Village does not have any plans to retire this debt at a date earlier than its scheduled maturity date. Payments were made out of the Water fund.

The Ohio Public Works Commission authorized loan CT 50T for Green and Various Street Improvements. The loan was authorized July 1, 2016 for \$78,881, with the first payment due January 1, 2019 and payable in semiannual installments of \$1,315, over a period of 30 years. The Village does not have any plans to retire this debt at a date earlier than its scheduled maturity date. Payments were made from the Water fund.

The Village entered into a government obligation contract with KS State Bank for the purchase of new water meters. The contract is dated as of July 1, 2019 with an original balance of \$55,380. The first payment was due January 1, 2020 and is payable in semiannual installments of \$6,408.01 for a period of 5 years. Payments were made from the Water fund.

***Amortization***

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

**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

Year Ending December 31:	OWDA	OPWC	USDA	KS State	Total
2023	\$11,973	\$2,629	11,936	\$12,816	\$39,354
2024	5,987	2,629	11,980	12,816	33,412
2025	0	2,629	12,009	0	14,638
2026	0	2,629	11,924	0	14,553
2027		2,629	12,029		14,658
2028-2032		13,147	59,860		73,007
2033-2037		13,147	59,903		73,050
2038-2042		13,147	24,006		37,153
2043-2047		13,147			13,147
2048-2051		2,600			2,600
	<u>\$17,960</u>	<u>\$68,333</u>	<u>\$203,647</u>	<u>\$25,632</u>	<u>\$315,572</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 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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	Special Revenue	Total
Outstanding Encumbrances	2,901	1,865	4,766
<i>Total</i>	<u>\$2,901</u>	<u>\$1,865</u>	<u>\$4,766</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**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. 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 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.

VILLAGE OF WILLSHIRE, VAN WERT COUNTY  
**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)**  
**All Governmental Fund Types**  
**All Governmental Fund Types**  
For the Year Ended December 31, 2021

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 42,222	\$ 9,924	\$ 52,146
Municipal Income Tax	61,867	-	61,867
Intergovernmental	21,633	52,369	74,002
Charges for Services	-	22,575	22,575
Fines, Licenses and Permits	3,141	-	3,141
Earnings on Investments	519	91	610
Miscellaneous	7,628	25,308	32,936
<i>Total Cash Receipts</i>	<u>137,010</u>	<u>110,267</u>	<u>247,277</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons & Property	4,080	40,682	44,762
Public Health Services	-	8,780	8,780
Leisure Time Activities	4,867	-	4,867
Transportation	-	33,475	33,475
General Government	88,889	5	88,894
Capital Outlay	-	12,573	12,573
<i>Total Cash Disbursements</i>	<u>97,836</u>	<u>95,515</u>	<u>193,351</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbu</i>	<u>39,174</u>	<u>14,752</u>	<u>53,926</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Transfers In		9,000	9,000
Transfers Out	(9,000)		(9,000)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(9,000)</u>	<u>9,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	30,174	23,752	53,926
<i>Fund Cash Balances, January 1</i>	<u>162,951</u>	<u>224,364</u>	<u>387,315</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 193,125</u>	<u>\$ 248,116</u>	<u>\$ 441,241</u>

See accompanying notes to the basic financial statements

VILLAGE OF WILLSHIRE, VAN WERT COUNTY  
**Combined Statement of Receipts, Disbursements and Changes in Fund  
Balances (Cash Basis)**  
**All Proprietary Fund Types**  
For the Year Ended December 31, 2021

	Proprietary Funds Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 338,663
<i>Total Operating Cash Receipts</i>	338,663
<b>Operating Cash Disbursements</b>	
Personal Services	39,822
Employee Fringe Benefits	5,162
Contractual Services	64,210
Supplies and Materials	110,028
<i>Total Operating Cash Disbursements</i>	219,222
<i>Operating Income (Loss)</i>	119,441
<b>Non-Operating Receipts (Disbursements)</b>	
Miscellaneous Receipts	2,776
Capital Outlay	(8,071)
Principal Retirement	(38,846)
Interest and Other Fiscal Charges	(8,316)
<i>Total Non-Operating Receipts (Disbursements)</i>	(52,457)
<i>Net Change in Fund Cash Balances</i>	66,984
<i>Fund Cash Balances, January 1</i>	294,753
<i>Fund Cash Balances, December 31</i>	\$ 361,737

*See accompanying notes to the basic financial statements*

VILLAGE OF WILLSHIRE, VAN WERT COUNTY  
**Combined Statement of Receipts, Disbursements and Changes in Fund  
Balances (Cash Basis)**  
**All Fiduciary Fund Types**  
For the Year Ended December 31, 2021

	Fiduciary Funds Type
	Private Purpose Trust
<b>Additions</b>	
Earnings on Investments (trust funds only)	\$ -
Gifts and Donations (trust funds only)	-
	-
<i>Total Additions</i>	-
<b>Deductions</b>	
Other Distributions	-
	-
<i>Total Deductions</i>	-
<i>Net Change in Fund Balances</i>	-
<i>Fund Cash Balances, January 1</i>	1,001
<i>Fund Cash Balances, December 31</i>	\$1,001

*See accompanying notes to the basic financial statements*

**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The Village of Willshire, Van Wert 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 and with a three member publicly elected Board of Public Affairs. The Village appropriates general fund money to support a volunteer fire department.

***Jointly Governed Organizations and Public Entity Risk Pools***

The Village participates in public entity risk pools. Notes 7 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.

**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 the enterprise funds.

***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 Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing village streets.

State Highway- This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing State Highways in the village.

Permissive Motor Vehicle License Tax - This fund receives permissive vehicle tax money for constructing, maintaining and repairing village streets.

Fire Fund – This fund receives money to support a volunteer fire department and to provide fire protection services.

***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.



**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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The Village had the following capital project fund:

**Capital Projects** – This fund accounted for engineering work on a revitalization project paid for on behalf of the Village by Hardin County.

**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 Operating Fund- This fund receives charges for services from residents to cover the cost of providing the utility.

Water Improvement Fund – Used to pay current water services and start to save and plan for needed improvements for the future.

Wastewater Operating Fund- This fund receives charges for services from residents to cover the cost of providing this utility.

**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.

The Village's private purpose trust fund is for the benefit of the Village's residents. The Village had the following private purpose trust fund.

Cemetery Bequest Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Village's cemetery.

**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 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 (C) permit.

**Budgetary Process**

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

**Appropriations - Budgetary** expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, 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 unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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

The Village checking account is located at The Peoples Bank Co in Rockford, Ohio. The Village also has one Certificate of Deposit and a savings account at The Peoples Bank Co, Rockford Ohio.

**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.

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.

**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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 12.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2021 follows:

<b>2021 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$194,667	\$137,010	(\$57,657)
Special Revenue	99,294	119,267	19,973
Enterprise	302,900	338,663	35,763
Total	\$596,861	\$594,940	(\$1,921)

<b>2021 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$158,690	\$109,761	\$48,929
Special Revenue	167,153	97,413	69,740
Enterprise	490,746	283,597	207,149
Total	\$816,589	\$490,771	\$325,818

**Note 4 – Deposits**

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. A summary of the Village's deposit accounts is as follows:

	2021
Demand deposits	\$777,756
Certificates of deposit	25,206
Other time deposits (savings and NOW accounts)	1,017
Total deposits	\$803,979

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village; The Village's Certificate of Deposit is valued at cost.

**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**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.

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. % 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.

The Village contracts with the Regional Income Tax Agency (R.I.T.A) to provide income tax collection and administrative services. The Village Fiscal Officer serves as the liaison between the Village and R.I.T.A for Income tax information and administrative issues.

**Note 6 – Interfund Balances**

Outstanding advances at December 31, 2021, consisted of \$60,000 advanced to the Water fund from the General fund to provide working capital for operations or projects.

**Note 7 - Risk Management**

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

***Risk Pool Membership***

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

—	Assets	\$ 21,777,439
	Liabilities	<u>( 15,037,383)</u>
	Members' Equity	<u>\$ 6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

***Social Security***

One Village employee 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 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 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.

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.

**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 9 – Debt**

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

	Principal Outstanding
USDA / RD Water Fund Bonds	\$139,651
OPWC CT50T Loan	70,992
OWDA Water Fund Loan	29,188
KS State Bank Government Obligation	29,562
Total	\$269,393

The USDA/RD loan is for construction of a new water plant facility and is considered as mortgage revenue bonds. The loan was authorized March 8, 1999 for \$209,000, with the first payment due March 1, 2000 and payable in annual installments with revenues generated from water billings over a period of 40 years. The Village does not have any plans to retire this debt at a date earlier than its scheduled maturity date. Payments were made out of the Water fund.

The Ohio Water Development Authority (OWDA) loan 2921 is for construction of a new water treatment plant facility. The loan was authorized January 29, 1998, with the first payment due June 1, 1999 and payable in semi-annual installments of \$5,987 which includes interest, with revenues generated from water billings over a period of 25 years. The Village does not have any plans to retire this debt at a date earlier than its scheduled maturity date. Payments were made out of the Water fund.

The Ohio Public Works Commission authorized loan CT 50T for Green and Various Street Improvements. The loan was authorized July 1, 2016 for \$78,881, with the first payment due January 1, 2019 and payable in semiannual installments of \$1,315, over a period of 30 years. The Village does not have any plans to retire this debt at a date earlier than its scheduled maturity date. Payments were made out of the Water fund.

The Village entered into a government obligation contract with KS State Bank for the purchase of new water meters. The contract is dated as of July 1, 2019 with an original balance of \$55,380. The first payment was due January 1, 2020 and is payable in semiannual installments of \$6,408.01 for a period of 5 years. Payments were made from the Water fund.

**Amortization**

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

Year Ending December 31:	OWDA	OPWC	USDA	KS State	Total
2022	\$11,973	\$2,629	11,983	\$12,816	\$39,401
2023	11,973	2,629	11,936	12,816	39,354
2024	5,987	2,629	11,980	12,816	33,412
2025		2,629	12,009		14,638
2026		2,629	11,924		14,553
2027-2031		13,147	59,974		73,121
2032-2036		13,147	59,860		73,007
2037-2041		13,147	35,964		49,111
2042-2046		13,147			13,147
2047-2050		5,259			5,259
	\$29,933	\$70,992	\$215,630	\$38,448	\$355,003

**Village of Willshire, Ohio**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**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 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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	Special Revenue	Total
Outstanding Encumbrances	2,925	1,898	4,823
<i>Total</i>	<u>\$2,925</u>	<u>\$1,898</u>	<u>\$4,823</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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

Village of Willshire  
Van Wert County  
110 State Street  
P.O. Box 110  
Willshire, Ohio 45898

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued the Comptroller General of the United States, 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, 2022 and 2021 and the related notes to the financial statements of the Village of Willshire, Van Wert County (the Village) and have issued our report thereon dated July 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.

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

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our 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 Entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items No. 2022-001 and 2022-002 that we consider to be material weaknesses.

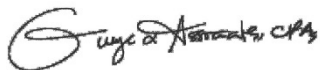


***Report on Compliance and Other Matters***

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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-001.

***Purpose of this Report***

This 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.



Columbus, Ohio  
July 31, 2023

**VILLAGE OF WILLSHIRE  
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022, AND 2021**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2022-001**

**Material Weakness / Non-Compliance – Accuracy of Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, 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.

**Ohio Rev. Code § 733.28** states, in part, that the Village Clerk shall keep the books of the Village, exhibit accurate statements of all moneys received and expended, of all the property owned by the Village and the income derived therefrom, and of all taxes and assessments. Additionally, Ohio Admin. Code § 117-2-02(A) states, in part, that all public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report the transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Ohio Village Handbook provides suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications will provide the Village with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

The Village did not properly post all receipts and expenditures. Amounts were not always posted to the correct fund and/or line item. The following errors were noted:

We noted the following in 2021:

- A total of \$19,224 in principal and interest payments were incorrectly paid from the General Fund in lieu of the Water fund.
- A total of \$3,944 in principal and interest payments were incorrectly posted as material and supplies in the water fund.

The 2022 and 2021 notes to the financial statements also had errors such as, but not limited to, the disclosures for budgetary, deposits, and the debt amortization tables.

The lack of transaction and monitoring controls over the recording of financial activity and preparing the annual financial statements may have contributed to the errors identified above. The accompanying financial statements and where necessary the accounting records have been adjusted to correct these errors.

The failure to correctly classify financial activity in the accounting records and financial statements may impact a user's understanding of the financial operations, the ability to make sound financial decisions, the ability to comply with budgetary laws, and may result in the material misstatement of the financial statements.

**VILLAGE OF WILLSHIRE  
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2022-001 (Continued)**

**Material Weakness / Non-Compliance – Accuracy of Financial Reporting (Continued)**

In addition, such undetected errors may result in irregularities not being detected in a timely manner by the Council. Inaccurate note disclosures pose the risk of misleading the readers of the annual financial report.

To help ensure the Village's financial statements and notes to the statements are complete and accurate, the Village should adopt controls and/or procedures to identify and correct errors and omissions. Resources such as the Ohio Village Handbook, the Uniform Accounting Network (UAN) Manual, and the village financial statement and note shells on the Auditor of State web-site can be utilized when recording transactions and preparing the annual financial statements. Additionally, Council or a sub-committee such as an audit or finance committee should perform periodic reviews of the receipt and disbursement ledgers to help identify errors and/or irregularities. Prior to filing, a secondary review of the financial statements and notes to the financial statements should be performed to verify that all amounts are accurate and agree to supporting documentation.

**Officials' Response:**

We did not receive a response from Official for this finding.

**FINDING NUMBER 2022-002**

**Material Weakness – Utility Rates**

The Village Council approved various ordinances establishing rate increases for water and sewer from 1998 to 2022. The ordinances only included a percent increase for either water or sewer, no exact dollar amount for the rate charges were included except in the original rate ordinance dated in 1997, and the most recent ordinance approved in 2020. As a result, difficulties were encountered in determining if the amounts in the billing system were the actual board approved rates and if utility revenues were being properly billed during the audit period, including the minimum billing rate.

Forty (40) utility bills out of fifty-eight (58) tested in 2021 and forty-one (41) out of fifty-five (55) in 2022, were charged the incorrect rate in both years, resulting in a total of \$110, and \$232 in overbilling in 2021, and 2022, respectively.

Failure to properly document the change in rates for charges for services and to ensure the review of the changes made in the system could result in lost revenues for the Village.

The Village should establish and implement procedures to ensure that water and sewer rates approved by the Village Council are timely and properly entered into the billing system, establish procedures to review the rate changes by someone independent of the person entering the rates into the billing system, and ensure all customers are assigned to the proper billing rate while maintaining support to justify the rate assigned. The Village should also be more specific as to rate changes for utilities when preparing and approving ordinances.

**Officials' Response**

We did not receive a response from Official for this finding.

# Village Of Willshire

315 State Street, PO Box 110, Willshire, Ohio  
419-495-2704 | [vofwillshire@gmail.com](mailto:vofwillshire@gmail.com)

Amos Stauffer Jr., Mayor

Jodi R Berry, Fiscal Officer

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 2022 and 2021

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Accuracy of Financial Reporting	Not Corrected	Repeated as Finding Number 2022-001
2020-002	Utility Rates Charged	Not Corrected	Repeated as Finding Number 2022-002

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*Small Town, Big Heart*

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF WILLSHIRE**

**VAN WERT 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 10/5/2023**

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](http://www.ohioauditor.gov)