

VILLAGE OF WOODSFIELD

MONROE COUNTY, OHIO

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021



OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Woodsfield
221 S. Main St.
Woodsfield, OH 43793

We have reviewed the *Independent Auditor's Report* of the Village of Woodsfield, Monroe County, prepared by Charles E. Harris & Associates, Inc., 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 Woodsfield is responsible for compliance with these laws and regulations.

The Auditor of State is conducting an investigation, which is on-going as of the date of this report. Dependent on the outcome of the investigation, results may be reported on at a later date.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

December 06, 2023

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VILLAGE OF WOODSFIELD
MONROE COUNTY

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INDEPENDENT AUDITOR'S REPORT

Village of Woodsfield
Monroe County
221 South Main Street
Woodsfield, Ohio 43793

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 Woodsfield, Monroe County, Ohio (the Village), which comprise the cash balances, receipts and disbursements for each governmental, proprietary and fiduciary fund type 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, proprietary and fiduciary fund type 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 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 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 September 15, 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.



Charles E. Harris & Associates, Inc.
September 15, 2023

**VILLAGE OF WOODSFIELD
MONROE 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	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 141,177	\$ 12,348	\$ -	\$ -	\$ 153,525
Municipal Income Tax	288,308	333,256	30,357	-	651,921
Intergovernmental	39,423	417,156	-	-	456,579
Special Assessments	-	17,369	69,476	-	86,845
Charges for Services	187,245	198,364	-	330	385,939
Fines, Licenses and Permits	8,885	731	-	-	9,616
Gains/(Losses) on Investments	7,006	1,264	2,102	(207,279)	(196,907)
Miscellaneous	30,403	109,322	1,209,686	-	1,349,411
<i>Total Cash Receipts</i>	<u>702,447</u>	<u>1,089,810</u>	<u>1,311,621</u>	<u>(206,949)</u>	<u>2,896,929</u>
Cash Disbursements					
Current:					
Security of Persons and Property	462,556	23,811	-	-	486,367
Public Health Services	-	60,777	-	-	60,777
Leisure Time Activities	-	84,851	-	-	84,851
Community Environment	-	1,500	-	-	1,500
Transportation	-	411,014	-	-	411,014
General Government	178,686	61,196	-	-	239,882
Capital Outlay	-	230,786	112,517	-	343,303
Debt Service:					
Principal Retirement	-	12,815	-	-	12,815
Interest and Fiscal Charges	-	4,637	-	-	4,637
<i>Total Cash Disbursements</i>	<u>641,242</u>	<u>891,387</u>	<u>112,517</u>	<u>-</u>	<u>1,645,146</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	61,205	198,423	1,199,104	(206,949)	1,251,783
Other Financing Receipts (Disbursements)					
Transfers In	-	12,000	-	-	12,000
Transfers Out	(12,000)	-	-	-	(12,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(12,000)</u>	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	49,205	210,423	1,199,104	(206,949)	1,251,783
<i>Fund Cash Balances, January 1 (Restated)</i>	464,138	958,407	359,289	1,546,605	3,328,439
<i>Fund Cash Balances, December 31</i>	<u>\$ 513,343</u>	<u>\$ 1,168,830</u>	<u>\$ 1,558,393</u>	<u>\$ 1,339,656</u>	<u>\$ 4,580,222</u>

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

**VILLAGE OF WOODSFIELD
MONROE 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	\$ 4,155,670
<i>Total Operating Cash Receipts</i>	<i>4,155,670</i>
Operating Cash Disbursements	
Personal Services	777,870
Employee Fringe Benefits	337,829
Contractual Services	2,210,754
Supplies and Materials	297,472
Other	3,110
<i>Total Operating Cash Disbursements</i>	<i>3,627,035</i>
<i>Operating Income (Loss)</i>	<i>528,635</i>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	6,752
Intergovernmental	21,939
Special Assessments	15,909
Earnings on Investments	108
Miscellaneous Receipts	19,782
Capital Outlay	(114,206)
Principal Retirement	(220,307)
Interest and Other Fiscal Charges	(70,887)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(340,910)</i>
<i>Net Change in Fund Cash Balances</i>	<i>187,725</i>
<i>Fund Cash Balances, January 1 (Restated)</i>	<i>2,830,210</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 3,017,935</i>

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

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

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

	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 11,911
<i>Total Additions</i>	11,911
 Deductions	
Distributions to Other Governments	9,397
Distributions to Other Funds	2,675
<i>Total Deductions</i>	12,072
 Net Change in Fund Balances	 (161)
 <i>Fund Cash Balances, January 1</i>	 176
 <i>Fund Cash Balances, December 31</i>	 \$ 15

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

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Woodsfield (the Village), Monroe 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, sewer, electric, park operations, cemetery services and police services to over 2,400 residents. The Village contracts with Woodsfield Volunteer Fire Department to receive fire protection services. The Village appropriates General Fund money to partially support the Woodsfield Volunteer Fire Department, providing administration of its levy funds and grant awards.

Joint Ventures and Public Entity Risk Pools

The Village participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. To provide electric service to the citizens, the Village is a member of the Ohio Municipal Electric Generation Agency (OMEGA) Joint Venture. Notes 6, 10 and 12 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, a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a statement of additions, deductions and changes in fund balances (regulatory cash basis) 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 Fund:

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.

Capital Projects 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 projects funds:

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Capital Projects Funds (Continued)

Municipal Building Fund The fund is used to pay for maintenance, repair and/ or improvement of the Village’s municipal building.

Street Paving Project The fund receives a special assessment fee charged to all utility customers as part of Ordinance 1272-2019 that went into effect on January 1, 2020 for street improvement projects only.

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

Braque Endowment 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 Oaklawn Cemetery.

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

Electric Operating Fund The fund receives revenue from the sale of electricity to municipal electric customers, both commercial and resident, and charges for services to customers.

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

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

Light Improvement/EMG Fund The fund accounts for the provision of improvements and emergency issues for the electric services to the residents and commercial users within the Village.

Fiduciary Funds Fiduciary funds include custodial funds. 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 the activity of the Mayor’s Court. This fund receives fines and forfeitures from police department citations. These monies are divided between the Village, County and the State, as prescribed by law.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (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 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 (except certain custodial funds) be budgeted annually.

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

The Village values certificates of deposit, mortgage-backed securities and common stock at cost.

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 Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (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 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 11.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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	\$ 591,600	\$ 702,447	\$ 110,847
Special Revenue	1,088,605	1,101,810	13,205
Capital Projects	416,025	1,311,621	895,596
Permanent	500	(206,949)	207,449
Enterprise	3,853,300	4,220,160	366,860

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 735,946	\$ 656,212	\$ 79,734
Special Revenue	1,387,070	892,903	494,167
Capital Projects	429,000	112,517	316,483
Permanent	12,000	-	12,000
Enterprise	4,955,367	4,037,827	917,540

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:

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (Continued)

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$ 5,962,978
Total deposits	5,962,978
Other Investment types (Electric)	402,303
Various securities, including mutual funds (Brague)	1,164,148
Foundation for Appalachian Ohio	68,743
Total investments	1,635,194
<i>Total carrying amount of deposits and investments held in the Pool</i>	7,598,172
 <i>Segregated Accounts - Not held in the Pool:</i>	
Clearing - Utility Account	86,324
Utility Security Deposit	97,169
	183,493
Total Deposits and Investments	\$ 7,781,665

The Village has a utility clearing account that is held outside of the deposit pool where utility collections are held for distribution. The balance in the Village’s utility clearing account represent unremitted utility collections due to the Village enterprise funds. Also, the Village has a utility security deposit account which holds security deposits from renters to cover any unpaid final utility bills of the renters.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Village or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

A financial institution’s trust department holds the Village’s equity securities in book-entry form in the Village’s name. Investments in mutual funds are not evidenced by securities that exist in physical or book-entry form.

At December 31, 2022, the Village’s investment broker held \$733,789 in mutual funds dealing in common stock, certain bonds and other municipal securities as part of the Bague Endowment and Foundation for Appalachian Ohio Funds. This was the cost of the investments at December 31, 2022. Mutual funds dealing in common stock, certain bonds and other municipal securities are not an eligible investment for the Village under Ohio law.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 5 – Taxes

Property Taxes

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

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

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

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.

Note 6 – Risk Pool Membership

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

- General liability and casualty
- Public official's liability
- 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:

	<u>2022</u>
Cash and investments	\$42,310,794
Actuarial liabilities	\$15,724,479

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 – Risk Pool Membership (Continued)

Workers' Compensation

The Village participates in a group rating plan with the Ohio Municipal League to provide Worker's Compensation Coverage through the State of Ohio Bureau of Worker's Compensation. Monthly installments are made toward an annual premiums. See Note 10 for additional information.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

Village's 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. The Village has paid all contributions required through December 31, 2022.

Social Security

Village Council members 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.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – Postemployment Benefits (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:

	2022 Principal	Interest Rate
OPWC Loan	\$ 230,905	0.00% - 2.00%
OWDA	806,756	0.00% - 4.50%
General Obligation Notes	141,270	3.75% - 3.95%
Sanitary Sewer Revenue Bonds	1,128,300	1.75%
Water Revenue Bonds	871,600	1.625%
Equipment Acquisition Bond, Series 2020	12,500	2.375%
Bond Anticipation Note (BAN)	516,210	6.22%
Total	<u>\$ 3,707,541</u>	

The Ohio Public Works Commission (OPWC) loans relate to the water line, sewer line, and water and sewer plan improvement projects the Ohio Environmental Protection Agency mandated. The Village repays OPWC loans in semiannual installments. Water and sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Water Development Authority (OWDA) loans related to various waterline extension projects and the purchase of a lake. The Village repays the loans in semiannual installments. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Village issued general obligation notes to finance a John Deere backhoe, the Oaklawn (BMW) property, and a Ford F-450. The Village’s taxing authority collateralized all of the notes listed herein.

The Village issued Sanitary Sewer System Revenue Bonds through the United States Department of Agriculture (USDA) in the amount of \$1,171,000 for the long-term control plan – Sewer Separation Project. The Village issued Water Revenue Bonds through the USDA in the amount of \$904,000 for the Water Improvement Project. The Village issued \$15,300 in Equipment Acquisition Bonds through USDA for the purpose of acquiring a skid steer. Water receipts collateralize these bonds.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt (Continued)

The Village issued a bond anticipation note (BAN) to pay off debt owed for construction of the electric system substation and major repairs from a transformer fire in 2016. The Village repays AMP in monthly installments of \$6,250 through 2023 and then a balloon payment in 2024 for the payoff. The loan is a variable rate loan.

Amortization

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

Year Ending December 31:	OPWC	OWDA Loan	General Obligation Notes	Revenue Bonds	BAN
2023	\$ 33,217	\$ 81,897	\$ 28,286	\$ 74,943	\$ 100,000
2024	29,434	81,897	23,052	74,849	445,000
2025	29,433	81,897	21,673	74,844	-
2026	29,434	81,260	11,748	74,849	-
2027	29,434	66,827	11,748	74,844	-
2028-2032	84,783	279,086	48,950	365,807	-
2033-2037	-	148,735	-	365,789	-
2038-2042	-	-	-	365,747	-
2043-2047	-	-	-	365,756	-
2048-2052	-	-	-	365,756	-
2053-2057	-	-	-	238,637	-
2058-2062	-	-	-	238,637	-
Total	<u>\$ 235,735</u>	<u>\$ 821,599</u>	<u>\$ 145,457</u>	<u>\$ 2,680,458</u>	<u>\$ 545,000</u>

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village’s share was 3,000 kilowatts of a total 771,281 kilowatts, giving the Village a .39 percent share. The AMPGS Project required participants to sign “take or pay” contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP’s pursuit of legal action to void them. As a result of a March 31, 2014, legal ruling, the AMP Board of Trustees on April 15, 2014, and the AMPGS participants on April 16, 2014, approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village’s estimated share at March 31, 2014, of the impaired costs is \$518,407. The Village received a credit of \$201,491 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$135,675 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$128,667. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village’s payments. These amounts will be recorded as they become estimable.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 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	Permanent	Total
Nonspendable:				
Corpus	\$ -	\$ -	\$ 1,358,912	\$ 1,358,912
Outstanding Encumbrances	2,970	1,516	-	4,486
<i>Total</i>	<u>\$ 2,970</u>	<u>\$ 1,516</u>	<u>\$ 1,358,912</u>	<u>\$ 1,363,398</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of 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, capital projects and permanent funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

The corpus above is the amount disclosed in the trust agreement. The cash fund balance at year-end is lower due to the sale of investments at a loss. The fund cash balance deficiency will be increased to at least the minimum corpus as gains in the investments are recognized.

Note 12 – American Municipal Power Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village’s Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. Summary financial information for the Electric Fund is presented below:

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 12 – AMP Revenue Coverage (Continued)

	2022
Total Fund Cash Balance	\$ 750,119
Total Long-Term Debt	\$ 516,210
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	\$ 2,559,338
Total Operating Receipts	2,559,338
Operating Expenses	
Personal Services	291,164
Employee Fringe Benefits	151,951
Contractual Services	2,100,035
Supplies and Materials	77,832
Other	3,110
Total Operating Expenses	2,624,092
Operating Income (Loss)	(64,754)
Nonoperating Receipts (Disbursements)	
Special Assessments	6,712
Property and Local Taxes	6,752
Miscellaneous Receipts	8,262
Principal Payments	(75,000)
Interest Payments	(13,921)
Capital Outlay	(60,000)
Total Other Nonoperating Receipts (Disbursements)	(127,195)
Change in Fund Cash Balance	(191,949)
Beginning Fund Cash Balance	942,068
Ending Fund Cash Balance	\$ 750,119

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 12 – AMP Revenue Coverage (Continued)

Condensed Cash Flows Information:	2022
Net Cash Provided (Used) by:	
Operating Activities	\$ (64,754)
Noncapital Financing Activities	
Other Noncapital Financing Activities	(38,274)
Net Cash Provided (Used) by Noncapital Financing Activities	(38,274)
Capital and Related Financing Activities	
Principal Payments on Capital and Related Debt	(75,000)
Interest Payments on Capital and Related Debt	(13,921)
Net Cash Provided (Used) by Capital and Related Financing Activities	(88,921)
Net Increase (Decrease)	(191,949)
Beginning Fund Cash Balance	942,068
Ending Fund Cash Balance	\$ 750,119

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency ended in May 2023. 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 funding, either federal or state, cannot be estimated.

Note 14 - Fund Balance Restatement

The Fiscal Officer voided outstanding reconciling items in 2022 that were issued in the years prior to 2022.

	General Fund	Special Revenue Fund	Enterprise Fund
December 31, 2021 Fund Balance	\$ 461,320	\$ 956,255	\$ 2,786,967
Change due to voiding outstanding reconciling items	2,818	2,152	43,243
December 31, 2021 Restated Fund Balance	\$ 464,138	\$ 958,407	\$ 2,830,210

**VILLAGE OF WOODSFIELD
MONROE 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**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 157,869	\$ 10,944	\$ -	\$ -	\$ 168,813
Municipal Income Tax	235,445	296,541	36,370	-	568,356
Intergovernmental	34,721	299,588	-	-	334,309
Special Assessments	1,320	17,469	69,478	-	88,267
Charges for Services	170,536	229,063	-	720	400,319
Fines, Licenses and Permits	15,698	1,505	-	-	17,203
Earnings on Investments	3,344	601	18	81,836	85,799
Miscellaneous	10,352	104,314	230,120	6,799	351,585
<i>Total Cash Receipts</i>	<u>629,285</u>	<u>960,025</u>	<u>335,986</u>	<u>89,355</u>	<u>2,014,651</u>
Cash Disbursements					
Current:					
Security of Persons and Property	457,781	3,997	-	-	461,778
Public Health Services	-	60,818	-	-	60,818
Leisure Time Activities	-	72,935	-	-	72,935
Community Environment	-	2,000	-	-	2,000
Transportation	-	353,109	-	-	353,109
General Government	192,585	54,755	-	-	247,340
Capital Outlay	15,243	106,962	57,770	-	179,975
Debt Service:					
Principal Retirement	-	12,205	-	-	12,205
Interest and Fiscal Charges	-	4,268	-	-	4,268
<i>Total Cash Disbursements</i>	<u>665,609</u>	<u>671,049</u>	<u>57,770</u>	<u>-</u>	<u>1,394,428</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(36,324)	288,976	278,216	89,355	620,223
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	1,050	-	-	-	1,050
Other Financing Sources	-	3,644	-	-	3,644
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,050</u>	<u>3,644</u>	<u>-</u>	<u>-</u>	<u>4,694</u>
<i>Net Change in Fund Cash Balances</i>	(35,274)	292,620	278,216	89,355	624,917
<i>Fund Cash Balances, January 1</i>	<u>496,594</u>	<u>663,635</u>	<u>81,073</u>	<u>1,457,250</u>	<u>2,698,552</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 461,320</u>	<u>\$ 956,255</u>	<u>\$ 359,289</u>	<u>\$ 1,546,605</u>	<u>\$ 3,323,469</u>

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

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

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

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 4,033,493
<i>Total Operating Cash Receipts</i>	<i>4,033,493</i>
Operating Cash Disbursements	
Personal Services	734,269
Employee Fringe Benefits	388,746
Contractual Services	1,821,653
Supplies and Materials	255,752
Other	5,491
<i>Total Operating Cash Disbursements</i>	<i>3,205,911</i>
<i>Operating Income (Loss)</i>	<i>827,582</i>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	7,197
Intergovernmental	518,946
Special Assessments	2,356
Earnings on Investments	55
Miscellaneous Receipts	8,339
Loan Proceeds	9,960
Capital Outlay	(432,362)
Principal Retirement	(225,421)
Interest and Other Fiscal Charges	(57,953)
Other Financing Uses	(7,880)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(176,763)</i>
<i>Net Change in Fund Cash Balances</i>	<i>650,819</i>
<i>Fund Cash Balances, January 1</i>	<i>2,136,148</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 2,786,967</i>

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

VILLAGE OF WOODSFIELD
MONROE COUNTY

STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	\$ 19,269
<i>Total Additions</i>	<u>19,269</u>
Deductions	
Distributions to Other Governments	16,118
Distributions to Other Funds	<u>2,975</u>
<i>Total Deductions</i>	<u>19,093</u>
Net Change in Fund Balances	176
<i>Fund Cash Balances, January 1</i>	<u>-</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 176</u>

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

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Woodsfield (the Village), Monroe 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, sewer, electric, park operations, cemetery services and police services to over 2,400 residents. The Village contracts with Woodsfield Volunteer Fire Department to receive fire protection services. The Village appropriates General Fund money to partially support the Woodsfield Volunteer Fire Department, providing administration of its levy funds and grant awards.

Joint Ventures and Public Entity Risk Pools

The Village participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures. Notes 6, 10 and 12 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, a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a statement of additions, deductions and changes in fund balances (regulatory cash basis) 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 Fund:

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.

Capital Projects 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 projects funds:

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Capital Projects Funds (Continued)

Municipal Building Fund The fund is used to pay for maintenance, repair and/ or improvement of the Village’s municipal building.

Street Paving Project The fund receives a special assessment fee charged to all utility customers as part of Ordinance 1272-2019 that went into effect on January 1, 2020 for street improvement projects only.

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

Braque Endowment 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 Oaklawn Cemetery.

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

Electric Operating Fund The fund receives revenue from the sale of electricity to municipal electric customers, both commercial and resident, and charges for services to customers.

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

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

Light Improvement/EMG Fund The fund accounts for the provision of improvements and emergency issues for the electric services to the residents and commercial users within the Village.

Fiduciary Funds Fiduciary funds include custodial funds. 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 the activity of the Mayor’s Court. This fund receives fines and forfeitures from police department citations. These monies are divided between the Village, County and the State, as prescribed by law.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (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 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 (except certain custodial funds) be budgeted annually.

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

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 values certificates of deposit, mortgage-backed securities and common stock at cost.

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 Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (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 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 11.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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	\$ 881,400	\$ 630,335	\$ (251,065)
Special Revenue	1,076,975	963,669	(113,306)
Capital Projects	317,000	335,986	18,986
Permanent	-	89,355	(89,355)
Enterprise	4,295,562	4,580,346	284,784

2021 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 984,722	\$ 665,609	\$ 319,113
Special Revenue	1,208,471	671,049	537,422
Capital Projects	380,000	57,770	322,230
Permanent	-	-	-
Enterprise	5,065,333	\$ 3,929,527	1,135,806

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:

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments (Continued)

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$ 4,112,442
Other time deposits (savings and NOW accounts)	1,345
Total deposits	4,113,787
Other Investment types (Electric/Royalties)	557,781
Various securities, including mutual funds (Brague)	1,388,075
Foundation for Appalachian Ohio	50,969
Total investments	1,996,825
<i>Total carrying amount of deposits and investments held in the Pool</i>	6,110,612
<i>Segregated Accounts - Not held in the Pool:</i>	
Clearing - Utility Account	346,630
Utility Security Deposit	92,287
	438,917
 Total Deposits and Investments	 \$ 6,549,529

The Village has a utility clearing account that is held outside of the deposit pool where utility collections are held for distribution. The balance in the Village’s utility clearing account represent unremitted utility collections due to the Village enterprise funds. Also, the Village has a utility security deposit account which holds security deposits from renters to cover any unpaid final utility bills of the renters.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Village or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

A financial institution’s trust department holds the Village’s equity securities in book-entry form in the Village’s name. Investments in mutual funds are not evidenced by securities that exist in physical or book-entry form.

At December 31, 2021, the Village’s investment broker held \$1,321,633 in mutual funds dealing in common stock, certain bonds and other municipal securities as part of the Brague Endowment and Foundation for Appalachian Ohio Funds. This was the cost of the investments at December 31, 2021. Mutual funds dealing in common stock, certain bonds and other municipal securities are not an eligible investment for the Village under Ohio law.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 5 – Taxes

Property Taxes

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

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

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

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.

Note 6 – Risk Pool Membership

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

- General liability and casualty
- Public official's liability
- 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:

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

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 – Risk Pool Membership (Continued)

Workers' Compensation

The Village participates in a group rating plan with the Ohio Municipal League to provide Worker's Compensation Coverage through the State of Ohio Bureau of Worker's Compensation. Monthly installments are made toward an annual premiums. See Note 10 for additional information.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

Village's 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. The Village has paid all contributions required through December 31, 2021.

Social Security

Village Council members 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

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.

Village of Woodsfield, Ohio
Monroe 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:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loans	\$ 266,533	0.00% - 2%
Ohio Water Development Authority Loan	875,620	0.00% - 4.50%
General Obligation Notes	154,900	3.75% - 3.95%
Sanitary Sewer Revenue Bonds	1,149,800	1.75%
Water Revenue Bonds	888,700	1.625%
Equipment Acquisition Bonds, Series 2020	13,900	2.375%
Bond Anticipation Note (BAN)	591,210	0.90%
Total	<u>\$ 3,940,663</u>	

The prior audit did not include an OWDA loan of \$277,972.

The Ohio Public Works Commission (OPWC) loans relate to the water line, sewer line, and water and sewer plan improvement projects the Ohio Environmental Protection Agency mandated. The Village repays OPWC loans in semiannual installments. Water and sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Water Development Authority (OWDA) loans related to various waterline extension projects and the purchase of a lake. The Village repays the loans in semiannual installments. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Village issued general obligation notes to finance a John Deere backhoe, the Oaklawn (BMW) property, and a Ford F-450. The Village's taxing authority collateralized all of the notes listed herein.

The Village issued Sanitary Sewer System Revenue Bonds through the United States Department of Agriculture (USDA) in the amount of \$1,171,000 for the long-term control plan – Sewer Separation Project. The Village issued Water Revenue Bonds through the USDA in the amount of \$904,000 for the Water Improvement Project. The Village issued \$15,300 in Equipment Acquisition Bonds through USDA for the purpose of acquiring a skid steer. Water receipts collateralize these bonds.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt (Continued)

The Village issued a bond anticipation note (BAN) to pay off debt owed for construction of the electric system substation and major repairs from a transformer fire in 2016. The Village repays American Municipal Power (AMP) in monthly installments of \$6,250 through 2023 and then a balloon payment in 2024 for the payoff. The loan is a variable rate loan.

Amortization

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

Year Ending December 31:	OPWC	OWDA Loan	General Obligation Notes	Revenue Bonds	Bond Anticipation Note
2022	\$ 37,001	\$ 81,897	\$ 28,286	\$ 74,825	\$ 75,000
2023	33,217	81,897	28,286	74,943	75,000
2024	29,434	81,897	23,052	74,849	475,000
2025	29,433	81,897	21,673	74,844	-
2026	29,434	66,827	11,748	374,504	-
2027-2031	103,237	245,518	58,710	365,744	-
2032-2036	9,226	197,826	9,785	365,807	-
2037-2041	-	59,349	-	365,789	-
2042-2046	-	-	-	365,747	-
2047-2051	-	-	-	365,756	-
2052-2056	-	-	-	238,637	-
Total	<u>\$ 270,982</u>	<u>\$ 897,108</u>	<u>\$ 181,540</u>	<u>\$ 2,741,445</u>	<u>\$ 625,000</u>

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 3,000 kilowatts of a total 771,281 kilowatts, giving the Village a .39 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014, legal ruling, the AMP Board of Trustees on April 15, 2014, and the AMPGS participants on April 16, 2014, approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share at March 31, 2014, of the impaired costs is \$518,407. The Village received a credit of \$201,491 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$135,675 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$128,667. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village's payments. These amounts will be recorded as they become estimable.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 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:

<u>Fund Balance</u>	<u>Permanent</u>
Nonspendable:	
Corpus	\$ 1,358,912

The fund balance of special revenue funds is either restricted or committed. The fund balance of 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, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances would be considered assigned. There were no outstanding encumbrances at year end.

The corpus above is the amount disclosed in the trust agreement. The cash fund balance at year-end is lower due to the sale of investments at a loss. The fund cash balance deficiency will be increased to at least the minimum corpus as gains in the investments are recognized.

Note 12 – AMP Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village's Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. Summary financial information for the Electric Fund is presented below:

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 – AMP Revenue Coverage (Continued)

	2021
Total Fund Cash Balance	\$ 942,068
Total Long-Term Debt	\$ 591,210
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	\$ 2,439,348
Total Operating Receipts	2,439,348
Operating Expenses	
Personal Services	289,579
Employee Fringe Benefits	184,888
Contractual Services	1,822,890
Supplies and Materials	75,014
Other	5,491
Total Operating Expenses	2,377,862
Operating Income (Loss)	61,486
Nonoperating Receipts (Disbursements)	
Special Assessments	1,210
Property and Local Taxes	7,197
Miscellaneous Receipts	1,382
Loan Proceeds	9,960
Principal Payments	(68,750)
Interest Payments	(6,250)
Other Financing Sources	126,382
Total Other Nonoperating Receipts (Disbursements)	71,131
Change in Fund Cash Balance	132,617
Beginning Fund Cash Balance	809,451
Ending Fund Cash Balance	\$ 942,068

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 – AMP Revenue Coverage (Continued)

Condensed Cash Flows Information:	2021
Net Cash Provided (Used) by:	
Operating Activities	\$ 61,486
Noncapital Financing Activities	
Other Noncapital Financing Activities	136,171
Net Cash Provided (Used) by Noncapital Financing Activities	136,171
Capital and Related Financing Activities	
Proceeds of Capital and Related Debt	9,960
Principal Payments on Capital and Related Debt	(68,750)
Interest Payments on Capital and Related Debt	(6,250)
Net Cash Provided (Used) by Capital and Related Financing Activities	(65,040)
Net Increase (Decrease)	132,617
Beginning Fund Cash Balance	809,451
Ending Fund Cash Balance	\$ 942,068

Note 13 – 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 funding, either federal or state, cannot be estimated.

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

Village of Woodsfield
Monroe County
221 South Main Street
Woodsfield, Ohio 43793

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental, proprietary and fiduciary fund type of the Village of Woodsfield, Monroe County, (the Village) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, and have issued our report thereon dated September 15, 2023, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

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. We consider the deficiencies described in the accompanying schedule of findings as items 2022-002 and 2022-003 to be a material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings as item 2022-004 to be a significant deficiency.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2022-001.

We also noted certain other matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated September 15, 2023.

Village's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying Corrective Action Plan. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the responses.

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
September 15, 2023

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING 2022-001 – Noncompliance

Investing in Unallowable Securities

Article VIII, §§ 4 and 6 of the Ohio Constitution prohibit a public body from becoming a “stockholder in any joint stock company, corporation or association.”

On June 18, 2018, Village Council passed Ordinance 1236-2018 to specify procedures for the maintenance of privately contributed funds and to clarify the parameters of the management and investment of such privately contributed funds regarding the municipal investment and capitalization policy. This ordinance is clarifying the Village's existing investment policy legislated through Ordinance 1097-09 passed on January 20, 2009 in regards to the investment of privately contributed funds, such as the Village's Brague Endowment Fund. Ordinance 1236-2018 specifically includes without limitation the authorization of consideration of investment in common stocks.

While Village Council has taken proactive steps in monitoring the investment activity of the Brague Endowment Fund monies by passing the above noted ordinance, unless the common stock was originally donated to the Village the Ohio Constitution prohibits a public body from becoming a stockholder in a private company.

The Village's investment broker, who handles the investment of the monies held in the Village's Brague Endowment Fund (a permanent trust fund), invested part of these monies in various mutual funds dealing in common stocks, certain bonds and other municipal securities during 2022 and 2021. The fair market value of the Village's investments in mutual funds investing in common stocks at December 31, 2022 was \$733,789 or 60% and at December 31, 2021 was \$1,321,633, or 92%, of the Village's investment account for the Brague endowment.

Village Council should contact their investment broker and consider liquidating mutual funds dealing in common stocks, certain bonds and other municipal securities and reinvesting the proceeds in eligible investments in compliance with Article VIII, §§ 4 and 6 of the Ohio Constitution and their investment policy.

Management's Response: See Corrective Action Plan.

FINDING 2022-002 - Material Weakness

Financial Reporting - Posting Receipts and Disbursements

The Village should have procedures and controls in place to prevent and detect errors in financial reporting. During 2022 and 2021, receipts and disbursements were not always posted or classified correctly. The following posting errors were noted:

For 2022

- Federal Emergency Management Agency expenditures of \$92,075 were recorded as Other Financing Uses instead of Transportation Disbursements;
- Local Government Distribution revenues of \$2,065 were posted to the Street Construction, Repair and Maintenance Fund instead of the General Fund;
- Gasoline Tax revenues of \$8,750 were incorrectly allocated to the Street Construction, Repair and Maintenance Fund instead of the State Highway Fund;

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING 2022-002- Material Weakness (Continued)

Financial Reporting - Posting Receipts and Disbursements (Continued)

- Motor Vehicle License Tax revenue of \$2,944 was posted to the General Fund instead of allocated to the State Highway Fund for \$221 and Street Construction, Repair, and Maintenance Fund for \$2,723;
- Homestead and Rollback of \$3,615 was posted to the Property and Other Local Taxes Line Items instead of Intergovernmental line item;
- Electric utility collections of \$1,685,538 were posted to Property and Other Local Taxes line item instead of Charges for Services line item.
- Electric utility allocations to the General Fund was posted as Property and Other Local Taxes line item instead of Charges for Services Line Item;
- Homestead and Rollback in the General Fund and Road and Bridge Funds of \$1,426 and \$3,291; respectively was posted to the Property and Other Local Tax line item instead of the Intergovernmental line item;
- There was \$223,937 of investment losses recorded as Capital Outlay Expense and Other Financing Uses and instead of Gain/(Losses) on Investments in the Permanent Fund;
- Principal and interest payments on Village debt was incorrectly posted; and
- Mayor's court fines and fees receipts and distribution were not posted to the accounting records in the Custodial fund and the Custodial fund was not included in the Hinkle filing.

For 2021

- The Village received funding from a government agency of \$85,384 and it was posted to the Other Miscellaneous – Non-Operating line item instead of the Intergovernmental line item;
- Gasoline Tax revenues of \$1,444 was incorrectly allocated to the Street Fund instead of Street Construction, Repair and Maintenance Fund;
- Motor Vehicle License Tax revenue of \$533 was incorrectly allocated to the State Highway Fund instead of the Street Construction, Repair, and Maintenance Fund;
- The Village double paid the American Municipal Power (AMP) of \$405,208. These payments and subsequent refund were made in same year; therefore the refunds should have been shown as a reduction of an expenditure and not a revenue and not a miscellaneous revenue or Other Financing Sources;
- Homestead and Rollback of \$3,650 was posted to the Property and Other Local Taxes line items instead of Intergovernmental line item;
- The Village received a \$41,125 donation to purchase a vehicle for the cemetery. The receipt of the donation was posted to Other Financing Sources line item instead of the Miscellaneous Revenue line item and the purchase of the vehicle was posted to the Other Financing Uses line item instead of the Capital Outlay line item;
- Principal and interest payments on Village debt was incorrectly posted; and
- Mayor's court fines and fees receipts and distribution were not posted to the accounting records in the Custodial fund and the Custodial fund was not included in the Hinkle filing.

Not posting receipts and disbursements correctly resulted in the financial statements requiring reclassification and adjusting entries. The financial statements and Village's records reflect all reclassifications and adjustments.

VILLAGE OF WOODSFIELD
MONROE COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

FINDING 2022-002- Material Weakness (Continued)

Financial Reporting - Posting Receipts and Disbursements (Continued)

Also, during 2022 and 2021 aspects of the notes to the financial statements were corrected from the Hinkle filing to agree to the financial statements in the audit report and to include all necessary note disclosures. We made corrections to the following note disclosures:

- Deposits and Investments
- Risk Management
- Fund Balances
- Debt
- American Municipal Power Revenue Coverage

We recommend the Fiscal Officer refer to the Village Officers' Handbook, Uniform Accounting Network (UAN) Manual and Auditor of State guidance to determine the proper establishment of disbursement accounts and proper posting. Also, to help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements and notes to the financial statements. Such review should include procedures to ensure that all receipts and disbursements are properly identified and classified on the financial statements. We recommend the Village use the most current available templates for financial statements and notes to the financial statements on the Auditor of State's website <http://www.ohioauditor.gov/references/shells/regulatory.html> to prepare an accurate annual financial report.

Management's Response – See Corrective Action Plan.

FINDING 2022-003 – Material Weakness

Utility Office Clearing and Security Deposit Account Reconciliations

The Utility Office has a utility clearing account and a security deposit account which had balances at December 31, 2022 of \$86,324 and \$97,169; respectively and balances at December 31, 2021 of \$346,630 and \$92,287; respectively. Each month the utility clearing account should be cleared and monthly utility collections allocated based on Village Ordinances. Also, the security deposit account should have detailed record of who paid all security deposits and those amounts should be reconciled to what is in the account.

As a result of the account not being cleared, a balance is left remaining and not being allocated to other Village funds to be used for government operations. Also, since the Village doesn't have a detailed record of who paid security deposits so when those customers discontinue utility service their deposits will not be returned to them.

The Utility Office Supervisor should reconcile the utility clearing and the security deposit accounts monthly. Additionally, there should be a detailed record of which utility customers paid into the security deposit account.

Management's Response – See Corrective Action Plan.

VILLAGE OF WOODSFIELD
MONROE COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

FINDING 2022-004 – Significant Deficiency

Utilities Department

During the testing of the Village’s utility department we noted the following issues:

- There were no written policies in place related to adjustments of customer accounts, including Village employee accounts;
- Procedures related to adjustments of customer account were not followed by Village personnel;
- There were no written policies related to the review of past due customer accounts; and
- The Utilities Supervisor made adjustments for late fees to her personal account, didn’t shut off utility services to her own account even though it was 6 months past due, and she had in addition to her current account, two other closed past due accounts that were in her name.

By not having and following effective internal control policies over the utilities department it could result in the loss of monies due to the Village.

We recommend the Village develop a formal written utility adjustment policy and a policy for the review of past due customer accounts to ensure consistent control procedures are being followed. There should also be formal written policies and procedures in place for the approval of adjustments to utility customer accounts. Such policies should be approved by Village Council.

Management’s Response – See Corrective Action Plan.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**SUMMARY SCHEDULE OF PRIOR FINDINGS –
PREPARED BY MANGEMENT
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Issuance of unallowable debt	Corrected	N/A
2020-002	Village is a stockholder in a joint stock company, corporation or association.	Not Corrected	N/A
2020-003	Village deposits were not being secured by the Village depository institution.	Corrected	N/A
2020-004	Village didn't have the correct balance on the financials for the Bague Endowment Fund.	Corrected	N/A
2020-005	Approved budgeted appropriations and estimated resources didn't match what is the Village's accounting system.	Not Corrected	N/A
2020-006	Incorrect posting of receipts and disbursements in the financial statements.	Not Corrected	N/A

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**CORRECTIVE ACTION PLAN - PREPARED BY MANAGEMENT
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	Fiscal Officer will work Village Council and the Investment Advisor to fully understand the investments of the Village.	Immediately	Lori Cunard – Fiscal Officer
2022-002	Fiscal Officer will follow the guidance obtained during the current audit process to complete upcoming annual financial reports filed on the Hinkle System.	Immediately	Lori Cunard – Fiscal Officer
2022-003	The Village Administrator will work with Village Council to adopt internal control policies over the Utilities Department. The Village Administrator will also take an active roll in monitoring the Utility Department	Immediately	Lori Cunard – Fiscal Officer
2022-004	The Fiscal Officer is assuming the responsibilities for the reconciling these accounts and it will be done monthly going forward.	Immediately	Lori Cunard – Fiscal Officer

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WOODSFIELD

MONROE 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 12/19/2023

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