



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**VILLAGE OF GLOUSTER
ATHENS COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2023 - 2022**



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Columbus, Ohio 43215
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Village Council
Village of Glouster
30 Main Street
Glouster, Ohio 45732

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

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

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

July 31, 2025

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**VILLAGE OF GLOUSTER
ATHENS COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Village of Glouster
Athens County
30 Main Street
Glouster, Ohio 45732

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 Glouster, Athens County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

Marietta, OH

St. Clairsville, OH

Cambridge, OH

Wheeling, WV

Vienna, WV

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

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

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 March 31, 2025, 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.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

March 31, 2025

**VILLAGE OF GLOUSTER
ATHENS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$ 59,712	\$ 148,589	\$ -	\$ 208,301
Intergovernmental	69,032	155,429	723,787	948,248
Special Assessments	-	34,570	-	34,570
Charges for Services	36,000	17,200	-	53,200
Fines, Licenses and Permits	11,223	1,138	-	12,361
Earnings on Investments	25,834	-	-	25,834
Miscellaneous	12,480	145,414	-	157,894
<i>Total Cash Receipts</i>	<u>214,281</u>	<u>502,340</u>	<u>723,787</u>	<u>1,440,408</u>
Cash Disbursements				
Current:				
Security of Persons and Property	132,198	74,715	-	206,913
Leisure Time Activities	-	153,591	-	153,591
Transportation	-	112,572	-	112,572
General Government	54,505	12,696	-	67,201
Intergovernmental	-	-	508,272	508,272
Capital Outlay	16,040	6,019	3,653	25,712
Debt Service:				
Principal Retirement	6,243	-	-	6,243
Interest and Fiscal Charges	3,760	-	-	3,760
<i>Total Cash Disbursements</i>	<u>212,746</u>	<u>359,593</u>	<u>511,925</u>	<u>1,084,264</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,535</u>	<u>142,747</u>	<u>211,862</u>	<u>356,144</u>
Other Financing Receipts (Disbursements)				
Loans Issued	-	-	15,451	15,451
Other Debt Proceeds	16,040	-	-	16,040
<i>Total Other Financing Receipts (Disbursements)</i>	<u>16,040</u>	<u>-</u>	<u>15,451</u>	<u>31,491</u>
<i>Net Change in Fund Cash Balances</i>	17,575	142,747	227,313	387,635
<i>Fund Cash Balances, January 1</i>	<u>148,694</u>	<u>551,661</u>	<u>-</u>	<u>700,355</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 166,269</u>	<u>\$ 694,408</u>	<u>\$ 227,313</u>	<u>\$ 1,087,990</u>

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

**VILLAGE OF GLOUSTER
ATHENS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Proprietary Fund</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$ 2,024,789
<i>Total Operating Cash Receipts</i>	<u>2,024,789</u>
Operating Cash Disbursements	
Personal Services	343,087
Employee Fringe Benefits	148,287
Contractual Services	1,290,990
Supplies and Materials	188,302
Other	48,021
<i>Total Operating Cash Disbursements</i>	<u>2,018,687</u>
<i>Operating Income (Loss)</i>	<u>6,102</u>
Non-Operating Receipts (Disbursements)	
Special Assessments	20,013
Miscellaneous Receipts	27,470
Capital Outlay	(16,049)
Principal Retirement	<u>(49,598)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(18,164)</u>
<i>Net Change in Fund Cash Balances</i>	(12,062)
<i>Fund Cash Balances, January 1</i>	<u>1,087,766</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 1,075,704</u></u>

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

VILLAGE OF GLOUSTER
ATHENS COUNTY

COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Other Custodial
Additions	
Fines, Licenses and Permits for Distribution	17,671
<i>Total Additions</i>	17,671
Deductions	
Distributions to Other Governments	16,586
<i>Total Deductions</i>	16,586
Net Change in Fund Balances	1,085
<i>Fund Cash Balances, January 1</i>	1,248
<i>Fund Cash Balances, December 31</i>	\$ 2,333

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

Village of Glouster, Ohio
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Glouster (the Village), Athens County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and electric utilities, park operations, fire protection services, maintenance of Village streets and highways, and police services.

Jointly Governed Organizations

The Village participates in a jointly governed organization. Note 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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

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

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

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

Street Construction Maintenance and Repair This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Fire Levy Fund This fund receives tax levy money for provision of fire protection services.

Police Levy Fund This fund receives tax levy money for the provision of police protection services.

Parks and Rec Fund This fund receives tax levy money for the operation and maintenance of parks and recreation facilities.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Other Capital Projects Fund This fund receives state grant money on behalf of other governments for various projects.

Village of Glouster, Ohio
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

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

Electric Operating Fund The electric operating fund accounts for the provision of electric services to the residents and commercial users within the Village.

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for unclaimed funds and Mayor's Court activity.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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 2023 budgetary activity appears in Note 4.

Village of Glouster, Ohio
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

Leases

The Village is the lessor in various leases (as defined by GASB 87) related to buildings under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

The Village leases the Village Hall to the Water & Electric Department located at 30 Main Street for \$3,000 per month.

The Village leases the Glouster Depot on High Street to Glouster Village Project for \$1 for 20 years.

Fund Balance

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

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

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

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

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

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

Village of Glouster, Ohio
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Parks & Recreation fund by \$112,611, the State Grants fund by \$35,150, the Coronavirus Relief fund by \$17,477, and Other Capital Projects fund by \$511,925 for the year ended December 31, 2023.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$ 294,400	\$ 230,321	\$ (64,079)
Special Revenue	306,400	502,340	195,940
Capital Projects	-	739,238	739,238
Enterprise	2,088,000	2,093,366	5,366
Total	<u>\$ 2,688,800</u>	<u>\$ 3,565,265</u>	<u>\$ 876,465</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$ 468,632	\$ 329,332	\$ 139,300
Special Revenue	808,961	494,616	314,345
Capital Projects	-	511,925	(511,925)
Enterprise	3,178,092	2,546,196	631,896
Total	<u>\$ 4,455,685</u>	<u>\$ 3,882,069</u>	<u>\$ 573,616</u>

Note 5 – 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. A summary of the Village's deposit and investment accounts are as follows:

Village of Glouster, Ohio
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 5 – Deposits and Investments (Continued)

	2023
Demand deposits	\$ 1,881,476
Certificates of deposit	284,551
Total deposits	<u>\$ 2,166,027</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the village is holding \$0 in unremitted employee payroll withholdings.

Deposits

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

Note 6 – Taxes

Property Taxes

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

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

Note 7 – Risk Management

Risk Pool Membership

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

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

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

Village of Glouster, Ohio
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Risk Management (Continued)

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

Assets	\$ 23,113,969
Liabilities	(16,078,587)
Members' Equity	<u>\$ 7,035,382</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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 14 percent of their gross salaries, and the Village contributed an amount equaling 10 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2023.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Village of Glouster, Ohio
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 10 – Debt

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
OWDA 7895	\$ 1,096,898	0%
OPWC CT16U	392,754	0%
Business Loan - FNB McConnelsville	136,329	3%
Total	<u>\$ 1,625,981</u>	

The Ohio Water Development Authority (OWDA) loan relates to a water distribution system improvement project. The OWDA approved up to \$2,510,148 in loans to the Village for this project. A portion of the debt is part of a principal forgiveness program. The Village will repay the loans in semiannual installments of \$21,094, including interest, over 30 years. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) loan relates to a water system improvement project. The OPWC approved \$444,627 to the Village for this project. The Village will repay the loans in semiannual installments of \$7,410.45 over 30 years.

The Village entered into a Business Loan agreement in 2021 with FNB McConnelsville for \$150,000. The Village will repay the loan in monthly installments of \$833.56 over 7 years.

Amortization

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

Year Ending December 31:	OWDA 7895	OPWC CT16U	FNB Loan
2024	\$ 42,188	\$ 14,821	\$ 10,003
2025	42,188	14,821	10,003
2026	42,188	14,821	10,003
2027	42,188	14,821	10,003
2028	42,188	14,821	113,419
2029-2033	210,942	74,105	-
2034-2038	210,942	74,105	-
2039-2043	210,942	74,105	-
2044-2048	210,942	74,105	-
2049-2053	42,190	22,229	-
Total	<u>\$ 1,096,898</u>	<u>\$ 392,754</u>	<u>\$ 153,431</u>

Village of Glouster, Ohio
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 10 – Debt (Continued)

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 600 kilowatts of a total 666,679 kilowatts, giving the Village a .09 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 \$104,801. The Village received a credit of \$27,135 related to their participation in the AMP Fremont Energy Center (AFEC) Project deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$77,666. 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.

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

The Village elected to finance this amount by paying a yearly lump sum payment of \$5,177.73 for 15 years.

Note 11 – Contingent Liabilities

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

Note 12 – Jointly Governed Organizations

The Trimble Township Wastewater Treatment District, Athens County, Ohop (the District), is a regional sewer district organized under Ohio Revised Code Chapter 6119, by the Athens County Common Pleas Court on October 3, 1986. The District operates under the direction of an eight member Board of Trustees whose membership is comprised of two appointments from each of the participating subdivisions. The membership elects a President, Vice-President, and a Secretary/Treasurer, who are responsible for fiscal control of the financial resources of the District. The District was established to provide a modern, efficient, and effective wastewater treatment system to promote the general health and safety of the citizens of the district and to make economic development in the area more feasible. The District services all or parts of the following political subdivisions:

- Village of Glouster
- Village of Jacksonville
- Village of Trimble
- Trimble Township

During 2023 the Village of Glouster paid the District \$3,375.90 for sewer services.

Village of Glouster, Ohio
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 13 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 116,586	\$ 135,023	\$ 251,609
<i>Total</i>	<u>\$ 116,586</u>	<u>\$ 135,023</u>	<u>\$ 251,609</u>

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

**VILLAGE OF GLOUSTER
ATHENS 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	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$ 85,313	\$ 128,672	\$ 213,985
Intergovernmental	80,123	213,927	294,050
Special Assessments	-	32,079	32,079
Charges for Services	33,000	-	33,000
Fines, Licenses and Permits	7,181	726	7,907
Earnings on Investments	22,588	-	22,588
Miscellaneous	7,548	20,366	27,914
<i>Total Cash Receipts</i>	<u>235,753</u>	<u>395,770</u>	<u>631,523</u>
Cash Disbursements			
Current:			
Security of Persons and Property	113,705	77,710	191,415
Public Health Services	-	14,962	14,962
Leisure Time Activities	-	9,282	9,282
Transportation	-	130,749	130,749
General Government	69,426	51,664	121,090
Capital Outlay	44,443	-	44,443
Debt Service:			
Principal Retirement	6,811	-	6,811
Interest and Fiscal Charges	3,192	-	3,192
<i>Total Cash Disbursements</i>	<u>237,577</u>	<u>284,367</u>	<u>521,944</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,824)</u>	<u>111,403</u>	<u>109,579</u>
Other Financing Receipts (Disbursements)			
Other Debt Proceeds	44,443	-	44,443
Other Financing Sources	790	-	790
<i>Total Other Financing Receipts (Disbursements)</i>	<u>45,233</u>	<u>-</u>	<u>45,233</u>
<i>Net Change in Fund Cash Balances</i>	43,409	111,403	154,812
<i>Fund Cash Balances, January 1</i>	<u>105,285</u>	<u>440,258</u>	<u>545,543</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 148,694</u></u>	<u><u>\$ 551,661</u></u>	<u><u>\$ 700,355</u></u>

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

**VILLAGE OF GLOUSTER
ATHENS COUNTY**

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

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$ 1,940,491
<i>Total Operating Cash Receipts</i>	<u>1,940,491</u>
Operating Cash Disbursements	
Personal Services	306,466
Employee Fringe Benefits	129,856
Contractual Services	1,252,080
Supplies and Materials	92,241
Other	57,606
<i>Total Operating Cash Disbursements</i>	<u>1,838,249</u>
<i>Operating Income (Loss)</i>	<u>102,242</u>
Non-Operating Receipts (Disbursements)	
Special Assessments	18,659
Miscellaneous Receipts	27,835
Capital Outlay	(27,778)
Principal Retirement	(57,009)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(38,293)</u>
<i>Net Change in Fund Cash Balances</i>	63,949
<i>Fund Cash Balances, January 1</i>	<u>1,023,817</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 1,087,766</u></u>

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

VILLAGE OF GLOUSTER
ATHENS COUNTY

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

	Other Custodial
Additions	
Fines, Licenses and Permits for Distribution	9,276
<i>Total Additions</i>	<u>9,276</u>
Deductions	
Distributions to Other Governments	11,046
<i>Total Deductions</i>	<u>11,046</u>
Net Change in Fund Balances	(1,770)
<i>Fund Cash Balances, January 1</i>	<u>3,018</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 1,248</u></u>

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

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

Note 1 – Reporting Entity

The Village of Glouster (the Village), Athens County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services.

Jointly Governed Organizations

The Village participates in a jointly governed organization. Note 12 to the financial statements provide additional information for these entities. The Trimble Township Wastewater Treatment District is a regional sewer district which operates under the direction of an eight-member Board of Trustees.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined 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 Funds:

Street Construction Maintenance and Repair This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Fire Levy Fund The fire levy fund receives tax levy money for provision of fire protection services.

Police Levy Fund The police levy fund receives tax levy money for the provision of police protection services.

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

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

Electric Operating Fund The electric operating fund accounts for the provision of electric services to the residents and commercial users within the Village.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for unclaimed funds and Mayor's Court activity.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2022 budgetary activity appears in Note 4.

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.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund by \$13,310, the Police Levy Fund by \$2,758, and the Coronavirus Relief Fund by \$1,500 for the year ended December 31, 2022.

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

Note 4 – 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	150,000	280,986	130,986
Special Revenue	299,057	395,770	96,713
Enterprise	1,936,000	1,986,985	50,985
Total	2,385,057	2,663,741	278,684

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 273,198	\$ 333,649	\$ (60,451)
Special Revenue	702,791	408,900	293,891
Enterprise	2,959,860	2,270,731	689,129
Total	\$ 3,935,849	\$ 3,013,280	\$ 922,569

Note 5 – 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. A summary of the Village's deposit and investment accounts are as follows:

	2022
Demand deposits	\$ 1,504,565
Certificates of deposit	284,804
Total deposits	<u>\$ 1,789,369</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the village is holding \$0 in unremitted employee payroll withholdings.

Deposits

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

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

Note 6 – Taxes

Property Taxes

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

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

Note 7 – Risk Management

Risk Pool Membership

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

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

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	(18,158,351)
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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 14 percent of their gross salaries, and the Village contributed an amount equaling 10 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

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

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

Note 9 – Postemployment Benefits

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

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

Note 10 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
OWDA 7895	\$ 1,139,087	0%
OPWC CT16U	400,164	0%
Business Loan - FNB McConnelsville	126,531	3%
Total	<u>\$ 1,665,782</u>	

The Ohio Water Development Authority (OWDA) loan relates to a water distribution system improvement project. The OWDA approved up to \$2,510,148 in loans to the Village for this project. A portion of the debt is part of a principal forgiveness program. The Village will repay the loans in semiannual installments of \$21,094, including interest, over 30 years. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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

Note 10 – Debt (Continued)

The Ohio Public Works Commission (OPWC) loan relates to a water system improvement project. The OPWC approved \$444,627 to the Village for this project. The Village will repay the loans in semiannual installments of \$7,410.45 over 30 years.

The Village entered into a Business Loan agreement in 2021 with FNB McConnelsville for \$150,000. As of December 31, 2021, \$127,068 had been drawn down against the loan. Therefore, there is no amortization schedule for this loan.

Leases

The Village leases the Village hall to the Water & Electric Department located at 16 Front Street for \$3,000 per month.

The Village leases the Glouster Depot on High Street to Glouster Village Project for \$1 for 20 years.

Amortization

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

Year Ending December 31:	OWDA 7895	OPWC CT16U
2023	\$ 42,188	\$ 14,821
2024	42,188	14,821
2025	42,188	14,821
2026	42,188	14,821
2027	42,188	14,821
2028-2032	210,942	74,105
2033-2037	210,942	74,105
2038-2042	210,942	74,105
2043-2047	210,942	74,105
2048-2052	84,379	29,639
Total	<u>\$ 1,139,087</u>	<u>\$ 400,164</u>

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station Project (AMPGS). This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 600 kilowatts of a total 666,679 kilowatts, giving the village a .08 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 on March 31, 2014 was \$104,801. The village received a credit of \$27,135 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$77,666. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

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

Note 10 – Debt (Continued)

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

Since March 31, 2014 the Village has made payments of \$25,889 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$1,294 and interest expense incurred on AMP's line-of-credit of \$9,738, resulting in a net impaired cost estimate at December 31, 2022 of \$62,809. The Village does have a potential PHFU Liability of \$31,602 resulting in a net total potential liability of \$94,411, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property. The Village elected to finance this amount by paying a yearly lump sum payment of \$5,178 for 15 years.

Note 11 – Contingent Liabilities

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

Note 12 – Jointly Governed Organizations

The Trimble Township Wastewater Treatment District, Athens County, Ohio (the District), is a regional sewer district organized under Ohio Revised Code Chapter 6119, by the Athens County Common Pleas Court on October 3, 1986. The District operates under the direction of an eight member Board of Trustees whose membership is comprised of two appointments from each of the participating subdivisions. The membership elects a President, Vice-President, and a Secretary/Treasurer, who are responsible for fiscal control of the financial resources of the District. The District was established to provide a modern, efficient, and effective wastewater treatment system to promote the general health and safety of the citizens of the district and to make economic development in the area more feasible. The District services all or parts of the following political subdivisions:

- Village of Glouster
- Village of Jacksonville
- Village of Trimble
- Trimble Township

During 2022, the Village of Glouster paid the District \$2,826.50 for sewer services.

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

Note 13 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 96,072	\$ 124,533	\$ 220,605
<i>Total</i>	<u>\$ 96,072</u>	<u>\$ 124,533</u>	<u>\$ 220,605</u>

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

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

Village of Glouster
Athens County
30 Main Street
Glouster, Ohio 45732

To the Village Council:

We have audited, in accordance the with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Village of Glouster, Athens County, (the Village) and have issued our report thereon dated March 31, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Entity'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 that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2023-003.

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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

March 31, 2025

**VILLAGE OF GLOUSTER
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2023-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- In 2023, 3 BLK Grant receipts were classified as Sewer Improvement and Other – Miscellaneous Non-Operating revenue rather than Intergovernmental revenue.
- In 2023, a gasoline excise tax receipt was improperly recorded in the State Highway Fund rather than the Street Construction Fund.
- In 2023, a Auto License Tax receipt was improperly recorded in the General Fund rather than being split between the Street Construction Fund and State Highway Fund.
- In 2022, a Police Levy Property tax receipt was improperly recorded in the Fire Department Fund rather than the Police Levy Fund.
- In 2022, a Fire Levy Property tax receipt was improperly recorded in the Street Levy fund rather than the Fire Department Fund.
- In 2022, the first half Manufactured Homes Property Tax receipt was improperly recorded at net rather than gross.
- In 2023 and 2022, the activity that occurred in the Mayor's Court bank statement failed to be recorded in the system.
- In 2023, a receipt from Trimble Local Schools was classified as Miscellaneous – Non-Operating revenue rather than Intergovernmental Revenue.
- In 2022 and 2023, disbursements to OWDA and OPWC for debt payments were improperly classified as Other – Capital Outlay rather than Principal disbursements.
- In 2022 and 2023, debt proceeds for the FNB Business Loan were not recorded.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassifications and adjustments. The financial statements reflect all reclassifications and adjustments, and the Village has posted all adjustments to its accounting system. There were also additional errors noted that were not material in nature and are, therefore, not reflected in the financial statements.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Village Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Officials' Response: Officials did not provide a response to this finding.

**VILLAGE OF GLOUSTER
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-002

Material Weakness

Bank Reconciliations

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of bank balances to accounting system records is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Village Council and/or other administrator are responsible for reviewing the reconciliations and related support.

The Fiscal Officer did not prepare accurate monthly reconciliations of bank balances to book balances. The accumulation of errors resulted in the need to perform a proof of cash engagement. During the engagement, numerous issues were found that included:

- In 2022 and 2023, CD interest was not posted monthly as it was earned.
- In 2022 and 2023, multiple transactions were not included on the reconciliations.
- In 2022 and 2023, multiple transactions were recorded at the wrong amounts.
- In 2022 and 2023, multiple payments cleared that were recorded as outstanding on the bank reconciliation and payments that were outstanding were recorded as cleared.
- In 2023, 2 transactions were recorded as cleared 2 times on the bank reconciliation.
- In 2022 and 2023, there were large dollar amounts of outstanding checks that were over 1 year old, or it was unreasonable to assume that they would clear.

We recommend the Fiscal Officer prepare detailed bank reconciliations that include all bank account balances being reconciled to total book balance. Copies of bank reconciliations should be presented to Council for review, approval, and use in managing the Village. The Fiscal Officer should reconcile activity entered in the accounting system to the bank balance and confirm the activity and balances agree to the financial institutions.

Official's Response – We did not receive a response from officials for this finding.

**VILLAGE OF GLOUSTER
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-003

Noncompliance

Ohio Revised Code Section 5705.41(B) provides no subdivision shall make any expenditure of money unless it has been lawfully appropriated.

In 2022, the Village expenditures exceeded appropriations in the General Fund by \$13,310, the Police Levy Fund by \$2,758, and the Coronavirus Relief Fund by \$1,500.

In 2023, the Village expenditures exceeded appropriations in the Parks & Recreation Fund by \$112,611, the State Grant Fund by \$35,150, the Coronavirus Relief Fund by \$17,477, and the Other Capital Projects Fund by \$511,925.

The Fiscal Officer and Village Council should monitor appropriations versus estimated resources to help avoid overspending. Officials should review the requirements of ORC section 5705 to be familiar with these laws and ensure the Village is complying with applicable sections.

In addition, during 2023 and 2022, the Village did not have a control procedure in place to ensure appropriations and estimated receipts, as authorized by the Village Trustees and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system.

This resulted in incorrect amounts posted to the accounting system and information available to Village officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate.

We recommend the Village implement procedures to ensure estimated receipts and appropriations are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

Official's Response – We did not receive a response from officials for this finding.

**VILLAGE OF GLOUSTER
ATHENS COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Reporting	Not Corrected	Repeated as Finding 2023-001
2021-002	Bank Reconciliations	Not Corrected	Repeated as Finding 2023-002

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF GLOUSTER

ATHENS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/12/2025

65 East State Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov