



OHIO AUDITOR OF STATE  
**KEITH FABER**





**VILLAGE OF OAK HILL  
JACKSON COUNTY  
DECEMBER 31, 2019 AND 2018**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Village of Oak Hill  
Jackson County  
415 North Front Street  
Oak Hill, Ohio 45656

To the Village Council:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Oak Hill, Jackson County, Ohio (the Village), as of and for the years ended December 31, 2019 and 2018.

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

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

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

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

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Oak Hill, Jackson County, Ohio, as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code §117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 10 to the 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. In addition, as discussed in Note 10 to the 2018 financial statements, the Village restated the January 1, 2018 Special Revenue Fund cash balance to reclassify the Permissive Sales Tax Fund as a Capital Projects Fund. We did not modify our opinion regarding these matters.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2020, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 29, 2020

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$105,385	\$84,502	\$0	\$189,887
Municipal Income Tax	149,535	0	0	149,535
Intergovernmental	80,982	109,478	67,779	258,239
Charges for Services	1,254	63,227	0	64,481
Fines, Licenses and Permits	12,867	1,489	0	14,356
Earnings on Investments	4,367	470	0	4,837
Miscellaneous	8,784	18,449	0	27,233
<i>Total Cash Receipts</i>	<u>363,174</u>	<u>277,615</u>	<u>67,779</u>	<u>708,568</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	176,855	100,380	0	277,235
Public Health Services	8,556	62,431	0	70,987
Basic Utility Services	9,159	0	0	9,159
Transportation	0	80,634	0	80,634
General Government	77,372	12,899	0	90,271
Capital Outlay	0	0	56,222	56,222
Debt Service:				
Principal Retirement	4,666	0	0	4,666
Interest and Fiscal Charges	295	0	0	295
<i>Total Cash Disbursements</i>	<u>276,903</u>	<u>256,344</u>	<u>56,222</u>	<u>589,469</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>86,271</u>	<u>21,271</u>	<u>11,557</u>	<u>119,099</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	4,135	0	0	4,135
Other Financing Sources	47	745	0	792
<i>Total Other Financing Receipts (Disbursements)</i>	<u>4,182</u>	<u>745</u>	<u>0</u>	<u>4,927</u>
<i>Net Change in Fund Cash Balances</i>	90,453	22,016	11,557	124,026
<i>Fund Cash Balances, January 1</i>	<u>201,877</u>	<u>222,262</u>	<u>98,050</u>	<u>522,189</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	975	0	0	975
Restricted	0	244,278	109,607	353,885
Assigned	161,375	0	0	161,375
Unassigned (Deficit)	129,980	0	0	129,980
<i>Fund Cash Balances, December 31</i>	<u>\$292,330</u>	<u>\$244,278</u>	<u>\$109,607</u>	<u>\$646,215</u>

*See accompanying notes to the basic financial statements*

**Village of Oak Hill, Ohio**

Jackson County

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

All Proprietary and Fiduciary Fund Types

For the Year Ended December 31, 2019

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Custodial	
<b>Operating Cash Receipts</b>			
Charges for Services	\$929,925	\$0	\$929,925
Miscellaneous	15	0	15
<i>Total Operating Cash Receipts</i>	<u>929,940</u>	<u>0</u>	<u>929,940</u>
<b>Operating Cash Disbursements</b>			
Personal Services	181,536	0	181,536
Employee Fringe Benefits	103,301	0	103,301
Contractual Services	63,294	0	63,294
Supplies and Materials	352,905	0	352,905
Other	130,438	0	130,438
<i>Total Operating Cash Disbursements</i>	<u>831,474</u>	<u>0</u>	<u>831,474</u>
<i>Operating Income (Loss)</i>	<u>98,466</u>	<u>0</u>	<u>98,466</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Property and Other Local Taxes	25,950	0	25,950
Intergovernmental	238,279	0	238,279
Other Debt Proceeds	299,884	0	299,884
Miscellaneous Receipts	23,775	0	23,775
Capital Outlay	(349,369)	0	(349,369)
Principal Retirement	(288,542)	0	(288,542)
Interest and Other Fiscal Charges	(26,502)	0	(26,502)
Other Financing Sources	0	2,846	2,846
Other Financing Uses	0	(3,789)	(3,789)
<i>Total Non-Operating (Disbursements)</i>	<u>(76,525)</u>	<u>(943)</u>	<u>(77,468)</u>
<i>Net Change in Fund Cash Balances</i>	21,941	(943)	20,998
<i>Fund Cash Balances, January 1</i>	<u>425,850</u>	<u>1,417</u>	<u>427,267</u>
<i>Fund Cash Balances, December 31</i>	<u>\$447,791</u>	<u>\$474</u>	<u>\$448,265</u>

See accompanying notes to the basic financial statements



**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Oak Hill, Jackson County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements of the Village are not misleading.

*Primary Government*

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Village. The primary government of the Village of Oak Hill provides the following services to its citizens: water, sewer and trash utilities; park operations; maintenance of roads; and police services. The Village contracts with the Madison-Jefferson Joint Fire District for fire protection services.

*Component Units*

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board; and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village.

The Village of Oak Hill Community Improvement Corporation (the CIC) was formed on November 28, 2016 as a legally separate not-for-profit organization, created under Ohio Revised Code Chapter 1724, to support the advancement, encouragement and promotion of the industrial, economic, commercial and civic development of the Village of Oak Hill. The CIC is governed by a three-member Board of Directors appointed by the Village of Oak Hill, which consists of the Village Mayor, Village Fiscal Officer, and a member of Village Council. The Board of Directors has the authority to make, prescribe, and enforce all rules and regulations for the conduct of all business and affairs of the CIC and the management and control of its properties. Because the Village makes up and/or appoints a voting majority of the Board of Directors, and the Village is able to impose its will on the operation of the CIC, the CIC is considered a component unit of the Village.

Financial information for the CIC can be requested from the Village of Oak Hill, 415 North Front Street, Oak Hill, Ohio 45656.

*Public Entity Risk Pool*

The Village participates in the Public Entities Pool of Ohio which is a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**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 and fiduciary fund types which are 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 Fund* – This fund receives gasoline tax and motor vehicle license tax monies for constructing, maintaining, and repairing Village streets.

*Cemetery Fund* – This fund receives property tax monies to maintain the Village's cemetery.

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

*Permissive Sales Tax Fund* – This fund receives permissive sales tax monies to be used for road and community improvements.

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

*Water Operating Fund* – This fund receives charges for services from residents and businesses to cover water service costs.

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

*Trash Fund* – This fund receives charges for services from residents and businesses to cover trash service costs.

*Fiduciary Funds* – Fiduciary funds include custodial funds. Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's custodial fund accounts for the financial activity of the Mayor's Court.

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Basis of Accounting**

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

**Budgetary Process**

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

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

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

*Encumbrances* – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over and need not be reappropriated. The Village did not encumber all commitments required by Ohio law.

A summary of the 2019 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 at cost and U.S. Series EE Paper Savings Bonds at face/denomination amount.

**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**

The 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:

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

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

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

*Assigned* – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State statute.

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

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

**Note 3 – Budgetary Activity**

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

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$285,700	\$367,356	\$81,656
Special Revenue	207,736	278,360	70,624
Capital Projects	60,000	67,779	7,779
Enterprise	1,372,578	1,517,828	145,250
Total	<u>\$1,926,014</u>	<u>\$2,231,323</u>	<u>\$305,309</u>

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$432,200	\$278,012	\$154,188
Special Revenue	392,876	256,942	135,934
Capital Projects	142,000	56,222	85,778
Enterprise	1,726,072	1,497,269	228,803
Total	<u>\$2,693,148</u>	<u>\$2,088,445</u>	<u>\$604,703</u>

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 4 – Deposits and Investments**

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2019 was as follows:

Demand deposits	\$967,810
Certificates of deposit	<u>125,070</u>
Total deposits	1,092,880
U.S. savings bonds	<u>1,600</u>
Total deposits and investments	<u>\$1,094,480</u>

*Deposits* – Deposits are either insured by the Federal Depository 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.

*Investments* – U.S. Savings Bonds are evidenced by Series EE bonds that exist in physical form.

**Note 5 – Taxes**

**Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback 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 a half 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 Management**

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 (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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- 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, 2019:

Cash and investments	\$35,381,789
Actuarial liabilities	12,965,015

**Note 7 – Defined Benefit Pension Plans and Postemployment Benefits**

**Ohio Public Employees Retirement System**

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

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

**Ohio Police and Fire Retirement System**

The Village’s police officers belong to the Ohio Police & 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2019, OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members’ wages. The Village has paid all contributions required through December 31, 2019.

**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 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retire health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Social Security**

One Village Council member contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

**Note 8 – Debt**

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan (5340)	\$89,303	0.00%
Ohio Water Development Authority Loan (5884)	498,651	3.35%-3.79%
Ohio Water Development Authority Loan (6768)	90,918	2.00%
Ohio Water Development Authority Loan (7944)	230,126	0.00%
Ohio Public Works Commission (CO08N)	128,333	0.00%
Ohio Public Works Commission (CO36F)	11,703	0.00%
Ohio Public Works Commission (CO05H)	17,822	0.00%
Ohio Public Works Commission (CT78M)	54,824	0.00%
Ohio Public Works Commission (CT12U)	436,800	0.00%
Wesbanco Lease-Purchase (7200303947)	4,821	3.50%
Vinton County National Bank Note (200467617)	128,407	3.85%
Total	<u>\$1,691,708</u>	

The Ohio Water Development Authority (OWDA) loan #5340 originated in October 2009 to fund planning and design costs on a sewer collections improvement project, including the pay-off of OWDA loan #4905. The loan was approved in the amount of \$185,645. As of December 31, 2019, only \$178,606 has been drawn and the loan status indicates this loan is closed. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #5884 originated in June 2011 to fund a waterline replacement project. The loan was approved in the amount of \$599,437. As of December 31, 2019, the full amount has been drawn. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #6768 originated in June 2014 to fund a water meter replacement project. The loan was approved in the amount of \$138,794. As of December 31, 2019, \$124,430 had been drawn and the loan status indicates this loan is closed. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #7944 originated in January 2018 to fund improvements to the wastewater treatment plant. The loan was approved in the amount of \$1,202,623. As of December 31, 2019, \$1,059,790 had been drawn. Principal forgiveness adjustments totaling \$866,000 have been made to the balance of this loan. Water and sewer receipts will collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. This loan is not yet completed; therefore, an amortization schedule is not currently available.

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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The Ohio Water Development Authority (OWDA) loan #8116 originated in January 2018 to fund improvements to the wastewater treatment plant. The loan was approved in the amount of \$250,000. As of December 31, 2019, the full amount has been drawn. This loan was repaid by OWDA grant funds.

The Ohio Public Works Commission loan CO08N is an interest-free loan that was obtained for a water line replacement project. The loan originated in 2012 in the amount of \$175,000. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$2,917 over 30 years.

The Ohio Public Works Commission loan CO36F is an interest-free loan that was obtained for a sewer system rehabilitation project. The loan originated in 2004 in the amount of \$52,014. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$1,300 over 20 years.

The Ohio Public Works Commission loan CO05H is an interest-free loan that was obtained for a sewer system rehabilitation project. The loan originated in 2005 in the amount of \$59,407. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$1,485 over 20 years.

The Ohio Public Works Commission loan CT78M is an interest-free loan that was obtained for a sewer collection repairs and water system telemetry project. The loan originated in 2009 in the amount of \$125,000. However, only \$76,498 has been drawn and the project has been identified as closed. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$2,083 over 30 years.

The Ohio Public Works Commission loan CT12U is an interest-free loan that was obtained to fund improvements to the wastewater treatment plant. The loan originated in 2018 in the amount of \$448,000. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$22,400 over 20 years. This loan is not yet completed; therefore, an amortization schedule is not currently available.

The Wesbanco lease-purchase #7200303947 was obtained in 2017 in the amount of \$14,000 at 3.5% interest. The lease-purchase was for the purpose of purchasing a police vehicle. The lease-purchase is secured by the vehicle. The Village will repay the lease-purchase in monthly installments of \$2,478 over 3 years.

The Vinton County National Bank note #200467617 was obtained in 2018 in the amount of \$179,000 at 3.85% interest. The note was for the purpose of purchasing a garbage truck. The note is secured by the vehicle. The Village will repay the note in semi-annual installments of \$19,852 over 5 years.



**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

Year ending December 31:	OWDA	OPWC	VCNB Truck Note
2020	\$36,577	\$18,177	\$39,704
2021	52,150	36,354	39,704
2022	52,150	36,354	39,704
2023	52,150	36,354	19,852
2024	52,149	36,353	0
2025-2029	260,744	158,372	0
2030-2034	181,992	153,915	0
2035-2039	167,880	153,915	0
2040-2042	83,940	19,688	0
Total	<u>\$939,732</u>	<u>\$649,482</u>	<u>\$138,964</u>

**Note 9 – Contingent Liabilities**

**Grants**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. Grants 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.

**Litigation**

The Village is not currently party to litigation.

**Note 10 – Subsequent Event**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. In addition, the impact on the Village's future operating cost, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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**Village of Oak Hill, Ohio**

Jackson County

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

All Governmental Fund Types

For the Year Ended December 31, 2018

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$109,149	\$75,760	\$0	\$184,909
Municipal Income Tax	139,721	0	0	139,721
Intergovernmental	60,991	94,123	84,481	239,595
Charges for Services	2,982	67,412	0	70,394
Fines, Licenses and Permits	21,544	934	0	22,478
Earnings on Investments	4,160	486	0	4,646
Miscellaneous	3,409	733	0	4,142
<i>Total Cash Receipts</i>	<u>341,956</u>	<u>239,448</u>	<u>84,481</u>	<u>665,885</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	172,845	86,151	0	258,996
Public Health Services	13,213	59,358	0	72,571
Basic Utility Services	8,689	0	0	8,689
Transportation	0	79,544	0	79,544
General Government	62,621	3,379	438	66,438
Capital Outlay	0	0	98,439	98,439
Debt Service:				
Principal Retirement	0	4,510	0	4,510
Interest and Fiscal Charges	0	451	0	451
<i>Total Cash Disbursements</i>	<u>257,368</u>	<u>233,393</u>	<u>98,877</u>	<u>589,638</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>84,588</u>	<u>6,055</u>	<u>(14,396)</u>	<u>76,247</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	0	6,000	0	6,000
Transfers Out	(6,000)	0	0	(6,000)
Other Financing Sources	2,286	0	0	2,286
Other Financing Uses	(380)	0	0	(380)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(4,094)</u>	<u>6,000</u>	<u>0</u>	<u>1,906</u>
<i>Net Change in Fund Cash Balances</i>	80,494	12,055	(14,396)	78,153
<i>Fund Cash Balances, January 1</i>	<u>121,383</u>	<u>210,207</u>	<u>112,446</u>	<u>444,036</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	975	0	0	975
Restricted	0	222,262	98,050	320,312
Assigned	149,433	0	0	149,433
Unassigned (Deficit)	51,469	0	0	51,469
<i>Fund Cash Balances, December 31</i>	<u>\$201,877</u>	<u>\$222,262</u>	<u>\$98,050</u>	<u>\$522,189</u>

See accompanying notes to the basic financial statements

**Village of Oak Hill, Ohio***Jackson County**Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)**All Proprietary and Fiduciary Fund Types**For the Year Ended December 31, 2018*

	Proprietary Fund Type	Fiduciary Fund Type	Totals  (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts</b>			
Charges for Services	\$854,318	\$0	\$854,318
<i>Total Operating Cash Receipts</i>	<u>854,318</u>	<u>0</u>	<u>854,318</u>
<b>Operating Cash Disbursements</b>			
Personal Services	147,796	0	147,796
Employee Fringe Benefits	91,142	0	91,142
Contractual Services	100,729	0	100,729
Supplies and Materials	253,895	0	253,895
Other	222,686	0	222,686
<i>Total Operating Cash Disbursements</i>	<u>816,248</u>	<u>0</u>	<u>816,248</u>
<i>Operating Income (Loss)</i>	<u>38,070</u>	<u>0</u>	<u>38,070</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Property and Other Local Taxes	26,684	0	26,684
Intergovernmental	1,365,864	0	1,365,864
Other Debt Proceeds	1,681,659	0	1,681,659
Miscellaneous Receipts	35,128	0	35,128
Capital Outlay	(2,166,133)	0	(2,166,133)
Principal Retirement	(1,010,756)	0	(1,010,756)
Interest and Other Fiscal Charges	(26,174)	0	(26,174)
Other Financing Sources	133,218	20,515	153,733
Other Financing Uses	0	(20,863)	(20,863)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>39,490</u>	<u>(348)</u>	<u>39,142</u>
<i>Net Change in Fund Cash Balances</i>	77,560	(348)	77,212
<i>Fund Cash Balances, January 1</i>	<u>348,290</u>	<u>1,765</u>	<u>350,055</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$425,850</u></u>	<u><u>\$1,417</u></u>	<u><u>\$427,267</u></u>

*See accompanying notes to the basic financial statements*

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Oak Hill, Jackson County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements of the Village are not misleading.

*Primary Government*

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Village. The primary government of the Village of Oak Hill provides the following services to its citizens: water, sewer and trash utilities; park operations; maintenance of roads; and police services. The Village contracts with the Madison-Jefferson Joint Fire District for fire protection services.

*Component Units*

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board; and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village.

The Village of Oak Hill Community Improvement Corporation (the CIC) was formed on November 28, 2016 as a legally separate not-for-profit organization, created under Ohio Revised Code Chapter 1724, to support the advancement, encouragement and promotion of the industrial, economic, commercial and civic development of the Village of Oak Hill. The CIC is governed by a three-member Board of Directors appointed by the Village of Oak Hill, which consists of the Village Mayor, Village Fiscal Officer, and a member of Village Council. The Board of Directors has the authority to make, prescribe, and enforce all rules and regulations for the conduct of all business and affairs of the CIC and the management and control of its properties. Because the Village makes up and/or appoints a voting majority of the Board of Directors, and the Village is able to impose its will on the operation of the CIC, the CIC is considered a component unit of the Village.

Financial information for the CIC can be requested from the Village of Oak Hill, 415 North Front Street, Oak Hill, Ohio 45656.

*Public Entity Risk Pool*

The Village participates in the Public Entities Pool of Ohio which is a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**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 and fiduciary fund types which are 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 Fund* – This fund receives gasoline tax and motor vehicle license tax monies for constructing, maintaining, and repairing Village streets.

*Cemetery Fund* – This fund receives property tax monies to maintain the Village's cemetery.

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

*Permissive Sales Tax Fund* – This fund receives permissive sales tax monies to be used for road and community improvements.

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

*Water Operating Fund* – This fund receives charges for services from residents and businesses to cover water service costs.

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

*Trash Fund* – This fund receives charges for services from residents and businesses to cover trash service costs.

*Fiduciary Funds* – Fiduciary funds include agency funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for the financial activity of the Mayor's Court.

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Basis of Accounting**

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

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

**Budgetary Process**

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

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

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

*Encumbrances* – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over and need not be reappropriated. The Village did not encumber all commitments required by Ohio law.

A summary of the 2018 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 at cost and U.S. Series EE Paper Savings Bonds at face/denomination amount.

**Capital Assets**

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

**Accumulated Leave**

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

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Fund Balance**

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

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

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

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

*Assigned* – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State statute.

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

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

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2018 follows:

Fund Type	Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$293,200	\$344,242	\$51,042
Special Revenue	206,950	245,448	38,498
Capital Projects	60,000	84,481	24,481
Enterprise	4,085,659	4,096,871	11,212
Total	\$4,645,809	\$4,771,042	\$125,233



**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$399,664	\$263,748	\$135,916
Special Revenue	370,887	233,393	137,494
Capital Projects	167,000	98,877	68,123
Enterprise	4,405,912	4,019,511	386,401
Total	\$5,343,463	\$4,615,529	\$727,934

**Note 4 – Deposits and Investments**

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2018 was as follows:

Demand deposits	\$822,962
Certificates of deposit	124,894
Total deposits	947,856
U.S. savings bonds	1,600
Total deposits and investments	\$949,456

*Deposits* – Deposits are either insured by the Federal Depository 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.

*Investments* – U.S. Savings Bonds are evidenced by Series EE bonds that exist in physical form.

**Note 5 – Taxes**

**Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback 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 a half 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.

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 6 – Risk Management**

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 (local entity’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, 2018:

Cash and investments	\$35,381,789
Actuarial liabilities	12,965,015

**Note 7 – Defined Benefit Pension Plans and Postemployment Benefits**

**Ohio Public Employees Retirement System**

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants’ gross salaries. The Village has paid all contributions required through December 31, 2018.

**Ohio Police and Fire Retirement System**

The Village’s police officers belong to the Ohio Police & 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2018, OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members’ wages. The Village has paid all contributions required through December 31, 2018.

**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 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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Beginning January 1, 2019, OP&F is changing its retire health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

**Social Security**

One Village Council member contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The Official 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, 2018.

**Note 8 – Debt**

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan (5340)	\$98,233	0.00%
Ohio Water Development Authority Loan (5884)	512,983	3.35%-3.79%
Ohio Water Development Authority Loan (6768)	98,627	2.00%
Ohio Water Development Authority Loan (7944)	193,790	0.00%
Ohio Public Works Commission (CO08N)	137,083	0.00%
Ohio Public Works Commission (CO36F)	15,604	0.00%
Ohio Public Works Commission (CO05H)	22,278	0.00%
Ohio Public Works Commission (CT78M)	58,649	0.00%
Ohio Public Works Commission (CT12U)	395,361	0.00%
Wesbanco Lease-Purchase (7200303947)	9,490	3.50%
Vinton County National Bank Note (200467617)	142,981	3.85%
Total	<u>\$1,685,079</u>	

The Ohio Water Development Authority (OWDA) loan #5340 originated in October 2009 to fund planning and design costs on a sewer collections improvement project, including the pay-off of OWDA loan #4905. The loan was approved in the amount of \$185,645. As of December 31, 2018, only \$178,606 has been drawn and the loan status indicates this loan is closed. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #5884 originated in June 2011 to fund a waterline replacement project. The loan was approved in the amount of \$599,437. As of December 31, 2018, the full amount has been drawn. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #6768 originated in June 2014 to fund a water meter replacement project. The loan was approved in the amount of \$138,794. As of December 31, 2018, \$124,430 had been drawn and the loan status indicates this loan is closed. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #7310 originated in April 2016 to fund improvements to the wastewater treatment plant. The loan was approved in the amount of \$136,500. As of December 31, 2018, \$130,000 had been drawn. This loan was repaid in full with proceeds from OWDA loan #7944 during 2018.

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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The Ohio Water Development Authority (OWDA) loan #7944 originated in January 2018 to fund improvements to the wastewater treatment plant. The loan was approved in the amount of \$1,202,623. As of December 31, 2018, \$1,059,790 had been drawn. Principal forgiveness adjustments totaling \$866,000 have been made to the balance of this loan. Water and sewer receipts will collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. This loan is not yet completed; therefore, an amortization schedule is not currently available.

The Ohio Water Development Authority (OWDA) loan #8116 originated in January 2018 to fund improvements to the wastewater treatment plant. The loan was approved in the amount of \$250,000. As of December 31, 2018, \$47,508 had been drawn. This loan will be repaid by OWDA grant funds. Grant funds were used to repay the \$47,508 drawn during 2018.

The Ohio Public Works Commission loan CO08N is an interest-free loan that was obtained for a water line replacement project. The loan originated in 2012 in the amount of \$175,000. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$2,917 over 30 years.

The Ohio Public Works Commission loan CO36F is an interest-free loan that was obtained for a sewer system rehabilitation project. The loan originated in 2004 in the amount of \$52,014. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$1,300 over 20 years.

The Ohio Public Works Commission loan CO05H is an interest-free loan that was obtained for a sewer system rehabilitation project. The loan originated in 2005 in the amount of \$59,407. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$1,485 over 20 years.

The Ohio Public Works Commission loan CT78M is an interest-free loan that was obtained for a sewer collection repairs and water system telemetry project. The loan originated in 2009 in the amount of \$125,000. However, only \$76,498 has been drawn and the project has been identified as closed. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$2,083 over 30 years.

The Ohio Public Works Commission loan CT12U is an interest-free loan that was obtained to fund improvements to the wastewater treatment plant. The loan originated in 2018 in the amount of \$448,000. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$22,400 over 20 years. This loan is not yet completed; therefore, an amortization schedule is not currently available.

The Wesbanco loan #122226 was obtained in 2013 in the amount of \$197,963 at 2.75% interest. The loan was for the purpose of paying the remaining principal and interest balances on outstanding Wesbanco Loan #1725201. Water and sewer receipts collateralized this loan. This loan was repaid in full during 2018.

The Wesbanco lease-purchase #7200303947 was obtained in 2017 in the amount of \$14,000 at 3.5% interest. The lease-purchase was for the purpose of purchasing a police vehicle. The lease-purchase is secured by the vehicle. The Village will repay the lease-purchase in monthly installments of \$2,478 over 3 years.

The Vinton County National Bank note #200467617 was obtained in 2018 in the amount of \$179,000 at 3.85% interest. The note was for the purpose of purchasing a garbage truck. The note is secured by the vehicle. The Village will repay the note in semi-annual installments of \$19,852 over 5 years.

**Village of Oak Hill**  
**Jackson County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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

Year ending December 31:	OWDA	OPWC	Wesbanco Lease- Purchase	VCNB Truck Note
2019	\$26,074	\$13,954	\$4,961	\$19,852
2020	52,149	13,954	4,961	39,704
2021	52,150	13,954	0	39,704
2022	52,150	13,954	0	39,704
2023	52,150	13,954	0	19,852
2024-2028	260,744	51,942	0	0
2029-2033	200,565	41,915	0	0
2034-2038	167,880	41,915	0	0
2039-2042	117,516	28,072	0	0
Total	<u>\$981,378</u>	<u>\$233,614</u>	<u>\$9,922</u>	<u>\$158,816</u>

**Note 9 – Contingent Liabilities**

**Grants**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. Grants 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.

**Litigation**

The Village is not currently party to litigation.

**Note 10 – Restatement of Prior Year Fund Balances**

Special revenue funds reported as of December 31, 2017 included a permissive sales tax fund that should have been reported as a capital projects fund. A restatement was required to correct this fund classification.

	<u>Special Revenue</u>	<u>Capital Projects</u>
Reported Fund Balance at December 31, 2017	\$322,653	\$0
Reclassification of Permissive Sales Tax Fund	(112,446)	112,446
Restated Fund Balance at January 1, 2018:	<u>\$210,207</u>	<u>\$112,446</u>

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# OHIO AUDITOR OF STATE KEITH FABER



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SoutheastRegion@ohioauditor.gov

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

Village of Oak Hill  
Jackson County  
415 North Front Street  
Oak Hill, Ohio 45656

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Oak Hill, Jackson County, Ohio (the Village), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated September 29, 2020 wherein we noted the Village followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. In addition, we noted the Village restated beginning January 1, 2018 Special Revenue Fund balance to reclassify the Permissive Sales Tax Fund as a Capital Projects Fund.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider Finding 2019-002 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2019-001.

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

September 29, 2020



VILLAGE OF OAK HILL  
JACKSON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-001

**Noncompliance**

**Ohio Rev. Code § 5705.41(D)(1)** provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Rev. Code.

1. "Then and Now" certificate – If the chief fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village Council can authorize the drawing of a warrant for the payment of the amount due. The Village Council has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificate – The auditor or fiscal officer may prepare "blanket" certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Village Council may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to deficiencies in internal controls, seventy-one percent of the transactions tested at year-end were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Village followed the aforementioned exceptions. In addition, the Village had unrecorded encumbrances totaling \$36,491 and \$32,797 at December 31, 2019 and 2018, respectively, in various funds. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances. Further, none of the completed purchase orders for 2018 were signed by the Fiscal officer. Lastly, Village Council did not establish a maximum amount for blanket certificates.

**VILLAGE OF OAK HILL  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2019-001 (Continued)**

**Noncompliance – Ohio Rev. Code § 5705.41(D)(1) (Continued)**

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used. In addition, the Village Council should establish by ordinance or resolution, a maximum amount for any blanket certificates used by the Village. Further, all purchase orders, blanket certificates, or super blanket certificates should be signed by the Village Council along with the Fiscal Officer.

**FINDING NUMBER 2019-002**

**Material Weakness**

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

The financial statements had the following errors that required audit adjustments or reclassifications:

In 2018:

- General Fund security of persons and property disbursements were overstated \$1,501 due to a voided check in 2019;
- General Fund intergovernmental receipts of \$18,424 were incorrectly posted as taxes receipts;
- General Fund intergovernmental receipt of \$2,300 was incorrectly posted as intergovernmental receipts in the Street Construction Maintenance and Repair Fund and State Highway Fund of \$2,178 and \$172, respectively;
- General Fund transfer out disbursement was understated by \$6,000 due to a fund balance adjustment made in UAN;
- General Fund municipal income tax receipts of \$139,721 were incorrectly posted as miscellaneous receipts;
- General Fund beginning fund balance was understated \$4,201 in comparison of the January 1, 2018 beginning fund balance to the audited December 31, 2017 ending fund balance;
- Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances on the financial statements and was codified as follows: GASB Cod. 1800.176 require reporting amounts as assigned when subsequent appropriations exceed estimated receipts. The Township incorrectly reported the assigned portion of the General Fund's cash fund balance as unassigned, in the amount of \$142,300;
- Street Construction Maintenance and Repair Fund transportation disbursements were overstated \$346 due to a voided check in 2019;

VILLAGE OF OAK HILL  
JACKSON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018  
(Continued)

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

FINDING NUMBER 2019-002 (Continued)

Material Weakness (Continued)

- State Highway Fund beginning fund balance was overstated \$18 in comparison of the January 1, 2018 beginning fund balance to the audited December 31, 2017 ending fund balance;
- Cemetery Fund public health service disbursements were overstated \$231 due to a voided check in 2019;
- Cemetery Fund beginning fund balance was understated \$18 in comparison of the January 1, 2018 beginning fund balance to the audited December 31, 2017 ending fund balance;
- Cemetery Fund intergovernmental receipts of \$6,003 were incorrectly posted as taxes receipts;
- Fire Fund intergovernmental receipts of \$3,838 were incorrectly posted as taxes receipts;
- Fire Fund transfer in receipt was understated by \$6,000 due to a fund balance adjustment made in UAN;
- Light Fund intergovernmental receipts of \$2,878 were incorrectly posted as taxes receipts;
- Drug Law Enforcement Fund debt service principal retirement and interest and fiscal charges of \$4,510 and \$451, respectively, were incorrectly posted as security of persons and property disbursements;
- Cemetery Trust Fund interest receipts of \$82 and beginning fund balance of \$17,566 was incorrectly classified in a Permanent Fund in UAN but has been reported as a Special Revenue Fund in the audited report for several years;
- School Resource Fund charges for services receipts of \$54,501 were incorrectly posted as intergovernmental receipts;
- Permissive Sales Tax Capital Projects Fund intergovernmental receipts of \$84,481, general government disbursements of \$438, capital outlay disbursements of \$98,439, and beginning fund balance of \$112,446 were incorrectly classified in a Special Revenue Fund;
- Water Operating Fund fringe benefit disbursements were overstated \$539 due to a voided check in 2019;
- Water Operating Fund debt service principal and interest of \$41,261 and \$22,489, respectively, was incorrectly posted as other disbursements;
- Water Operating Fund contractual service disbursements of \$82,466 were incorrectly posted as supplies and materials and other disbursements in the amount of \$73,610 and \$8,856, respectively;
- Sewer Operating Fund contractual service disbursements of \$12,091 were incorrectly posted as other disbursements;
- Sewer Operating Fund capital outlay disbursements of \$20,290 were incorrectly posted as other disbursements;
- Sewer Operating Fund fringe benefit disbursements were overstated \$385 due to a voided check in 2019;
- Sewer Operating Fund intergovernmental receipts, other debt proceeds receipts, capital outlay disbursements, and principal retirement disbursements of \$913,508 were unrecorded;
- Sewer Operating Fund intergovernmental receipts and capital outlay disbursements of \$448,000 were unrecorded;
- Sewer Operating Fund other debt proceed receipts and capital outlay disbursements of \$589,151 were unrecorded;

VILLAGE OF OAK HILL  
JACKSON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018  
(Continued)

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

FINDING NUMBER 2019-002 (Continued)

Material Weakness (Continued)

- Sewer Operating Fund debt service principal of \$19,968 was incorrectly posted as other disbursements;
- Swimming Pool Fund fringe benefit disbursements were overstated \$308 due to a voided check in 2019;
- Swimming Pool Fund supplies and material disbursements of \$4,326 were incorrectly posted as other disbursements;
- Trash Fund fringe benefit disbursements were overstated \$539 due to a voided check in 2019;
- Trash Fund other debt proceed receipts of \$179,000 were incorrectly posted as miscellaneous revenue;
- Trash Fund debt service principal and interest of \$36,019 and \$3,685, respectively, were incorrectly posted as other disbursements;
- Trash Fund capital outlay disbursements of \$16,184 were incorrectly posted as other disbursements;
- Trash Fund contractual service disbursements of \$4,903 were incorrectly posted as supplies and materials and other disbursements in the amount of \$2,553 and \$2,350, respectively;
- Unclaimed Monies Fund other financing sources receipts were understated \$710; and
- Mayor's Court Agency Fund other non-operating receipts of \$20,515, other non-operating disbursements of \$20,863, and beginning fund balance of \$1,765 were unrecorded.

In 2019:

- General Fund debt service principal retirement and interest and fiscal charges of \$4,666 and \$295, respectively, were incorrectly posted as general government disbursements;
- General Fund intergovernmental receipts of \$18,328 were incorrectly posted as taxes receipts;
- General Fund sale of capital asset receipts of \$4,135 were incorrectly posted as fines, licenses, and permit receipts;
- General Fund municipal income tax receipts of \$149,535 were incorrectly posted as miscellaneous receipts;
- Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances on the financial statements and was codified as follows: GASB Cod. 1800.176 require reporting amounts as assigned when subsequent appropriations exceed estimated receipts. The Township incorrectly reported the assigned portion of the General Fund's cash fund balance as unassigned, in the amount of \$161,375;
- Light Fund intergovernmental receipt of \$1,374 was incorrectly posted to the Fire Fund as a tax receipt;
- Cemetery Fund miscellaneous receipt of \$4,543 was incorrectly posted as a charges for services receipt;
- School Resource Fund charges for services receipts of \$51,000 were incorrectly posted as intergovernmental receipts;
- School Resource Fund miscellaneous receipts of \$9,510 were incorrectly posted as intergovernmental receipts;

VILLAGE OF OAK HILL  
JACKSON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018  
(Continued)

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

FINDING NUMBER 2019-002 (Continued)

Material Weakness (Continued)

- FEMA Fund general government disbursements were understated \$1,023 due to a fund balance adjustment made in UAN;
- Cemetery Trust Fund interest receipts of \$84 were incorrectly classified in a Permanent Fund in UAN but has been reported as a Special Revenue Fund in the audited report for several years;
- Permissive Sales Tax Capital Projects Fund intergovernmental receipts of \$67,779 and capital outlay disbursements of \$56,222 were incorrectly classified in a Special Revenue Fund;
- Water Operating Fund debt service principal disbursements of \$2,917 were overstated due to a duplicate payment;
- Sewer Operating Fund other debt proceed receipts and capital outlay disbursements of \$97,390 were unrecorded;
- Sewer Operating Fund intergovernmental receipts, other debt proceeds receipts, capital outlay disbursements, and principal retirement disbursements of \$202,494 were unrecorded;
- Water Operating Fund debt service principal disbursements of \$4,060 were overstated due to a duplicate payment;
- Water Operating Fund contractual service disbursements of \$44,962 were incorrectly posted as supplies and materials and other disbursements in the amount of \$26,609 and \$18,353, respectively;
- Water Operating Fund capital outlay disbursements of \$11,109 were incorrectly posted as supplies and materials;
- Sewer Operating Fund capital outlay disbursements of \$38,376 were incorrectly posted as supplies and materials and other disbursements in the amount of \$2,566 and \$35,810, respectively;
- Sewer Operating Fund contractual service disbursements of \$8,560 were incorrectly posted as supplies and materials;
- Sewer Fund personal service disbursements were overstated \$1,023 due to a fund balance adjustment made in UAN;
- Swimming Pool Fund contractual service disbursements of \$1,607 were incorrectly posted as other disbursements;
- Trash Fund contractual service disbursements of \$7,657 were incorrectly posted as supplies and materials and other disbursements in the amount of \$3,907 and \$3,750, respectively; and
- Mayor's Court Agency Fund other non-operating receipts of \$2,846 and other non-operating disbursements of \$3,789 were unrecorded.

The Fiscal Officer made classification errors in posting of receipts and disbursements. This caused the incorrect postings and unrecorded receipts and disbursements noted above.

The audited financial statements and the Village's UAN accounting system have been adjusted for the items noted above.

VILLAGE OF OAK HILL  
JACKSON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018  
(Continued)

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>
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FINDING NUMBER 2019-002 (Continued)

**Material Weakness (Continued)**

The Fiscal Officer should review the Village Officer's Handbook for guidance on the correct line item to post various receipts and disbursements of the Village to ensure the Village's financial statements are complete and accurate. The Fiscal Officer should also review Auditor of State Bulletin 2011-004 for proper reporting of fund balances.

**Officials' Response:** We did not receive a response from Officials to the Findings reported above.

**Village of Oak Hill**  
**415 North Front Street**  
**Oak Hill, Ohio 45656**  
**740-682-7207 or 740-682-6301**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**DECEMBER 31, 2019 AND 2018**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2017-001	Ohio Rev. Code § 5705.41(D)(1) – Not properly encumbering funds.	Not Corrected.	Policy for certification of purchases will be corrected and purchasing policy will be adopted by Village Council.
2017-002	Material Weakness – Incorrect posting of receipts, disbursements, and fund balance classifications.	Not Corrected.	UAN system has been adjusted to correct the incorrect postings as of September 2020.
2017-003	Ohio Rev. Code § 1905.21 – Not maintaining docket.	Corrected.	
2017-004	Ohio Rev. Code § 2949.091 – Not remitting to State by required date.	Corrected.	
2017-005	Material Weakness over Budgetary Information on Certificate of Estimated Resources.	Corrected.	
2017-006	Material Weakness – Bank reconciliations not prepared for Mayor’s Court.	Partially Corrected.	Mayor’s Court was added to the monthly bank reconciliation in the UAN system as of September 2020.
2017-007	Material Weakness – Financial Monitoring.	Not Corrected.	Village Council now receives appropriation and revenue status reports (in addition to the fund status report and payment/receipt listing reports) on a monthly basis. Monthly bank reconciliations also go to each council member.
2017-008	Material Weakness – Income Tax Controls.	Corrected.	

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF OAK HILL**

**JACKSON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 10/20/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)