



OHIO AUDITOR OF STATE  
**KEITH FABER**





VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2021 .....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2021 .....	6
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2021 .....	7
Notes to the Financial Statements For the Year Ended December 31, 2021 .....	9
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	19
Schedule of Findings .....	21
Prepared by Management:	
Summary Schedule of Prior Audit Findings .....	25

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**INDEPENDENT AUDITOR'S REPORT**

Village of Wintersville  
Jefferson County  
200 Grove Street  
Wintersville, Ohio 43953

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 Wintersville, Jefferson 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 year ended December 31, 2021, and the related notes to the financial statements.

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

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

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

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

***Basis for Opinions***

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

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

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

***Emphasis of Matter***

As discussed in Note 11 to the December 31, 2021 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2022, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

July 29, 2022

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**Village of Wintersville, Ohio**  
*Jefferson County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2021*

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$193,496	\$182,453	\$375,949
Municipal Income Tax	1,268,332		1,268,332
Intergovernmental	69,788	485,274	555,062
Charges for Services	6,669	8,187	14,856
Fines, Licenses and Permits	136,179	1,200	137,379
Earnings on Investments	3,497	125	3,622
Miscellaneous	29,474	22,272	51,746
<i>Total Cash Receipts</i>	<u>1,707,435</u>	<u>699,511</u>	<u>2,406,946</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	689,285	224,020	913,305
Public Health Services	12,679	1,458	14,137
Leisure Time Activities	17,469		17,469
Community Environment	2,011		2,011
Transportation	346,636	292,777	639,413
General Government	501,753	2,712	504,465
Debt Service:			
Principal Retirement		24,600	24,600
Interest and Fiscal Charges		1,091	1,091
<i>Total Cash Disbursements</i>	<u>1,569,833</u>	<u>546,658</u>	<u>2,116,491</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>137,602</u>	<u>152,853</u>	<u>290,455</u>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In		17,060	17,060
Transfers Out	(17,060)		(17,060)
Advances In		4,000	4,000
Advances Out	(4,555)		(4,555)
Other Financing Sources		2,110	2,110
Other Financing Uses	(5,933)	(5,573)	(11,506)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(27,548)</u>	<u>17,597</u>	<u>(9,951)</u>
Special Item	915	4,321	5,236
<i>Net Change in Fund Cash Balances</i>	110,969	174,771	285,740
<i>Fund Cash Balances, January 1</i>	<u>385,593</u>	<u>357,450</u>	<u>743,043</u>
<i>Fund Cash Balances, December 31</i>	<u>\$496,562</u>	<u>\$532,221</u>	<u>\$1,028,783</u>

See accompanying notes to the basic financial statements

**Village of Wintersville, Ohio**  
*Jefferson County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Proprietary Fund Types*  
*For the Year Ended December 31, 2021*

	Proprietary Fund Types
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$2,509,039
<i>Total Operating Cash Receipts</i>	<i>2,509,039</i>
<b>Operating Cash Disbursements</b>	
Personal Services	455,352
Employee Fringe Benefits	204,180
Contractual Services	908,162
Supplies and Materials	203,849
<i>Total Operating Cash Disbursements</i>	<i>1,771,543</i>
<i>Operating Income (Loss)</i>	<i>737,496</i>
<b>Non-Operating Receipts (Disbursements)</b>	
Other Debt Proceeds	1,871,830
Intergovernmental Receipts	438,297
Miscellaneous Receipts	9,594
Capital Outlay	(2,380,447)
Principal Retirement	(338,562)
Interest and Other Fiscal Charges	(43,233)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(442,521)</i>
<i>Income before Transfers</i>	<i>294,975</i>
Transfers In	210,609
Transfers Out	(210,609)
<i>Net Change in Fund Cash Balances</i>	<i>294,975</i>
<i>Fund Cash Balances, January 1</i>	<i>1,658,948</i>
<i>Fund Cash Balances, December 31</i>	<i>\$1,953,923</i>
<i>See accompanying notes to the basic financial statements</i>	

**Village of Wintersville, Ohio**  
*Jefferson County*  
*Combined Statement of Additions, Deductions*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2021*

	Fiduciary Fund Types
	Custodial
	Magistrate Court
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$ 77,245
<i>Total Additions</i>	<i>77,245</i>
<b>Deductions</b>	
Distributions to Other Governments	12,719
Other Distributions	66,213
<i>Total Deductions</i>	<i>78,932</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,687)
<b>Other Financing Receipts</b>	
Advances In	555
<i>Total Other Financing Receipts</i>	<i>555</i>
<i>Net Change in Fund Balances</i>	(1,132)
<i>Fund Cash Balances, January 1</i>	<i>1,688</i>
<i>Fund Cash Balances, December 31</i>	<i>\$556</i>
<i>See accompanying notes to the basic financial statements</i>	

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**Village of Wintersville, Ohio**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The Village of Wintersville (the Village), Jefferson 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. The Village contracts with Seven Ranges Fire District to receive fire & EMS protection services.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

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

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

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

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

**Village of Wintersville, Ohio**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***Fiduciary Funds*** Fiduciary funds include custodial funds.

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

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 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 117-2-03 (C) permit.

***Budgetary Process***

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

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

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

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

A summary of 2021 budgetary activity appears in Note 3.

***Deposits and Investment***

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 Wintersville, Ohio**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***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 10.

**Village of Wintersville, Ohio**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 3 – Budgetary Activity**

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,080,200	\$1,708,350	(\$371,850)
Special Revenue	3,009,096	727,002	(2,282,094)
Enterprise	6,551,396	5,039,369	(1,512,027)
Custodial	77,244	77,800	556
<b>Total</b>	<b>\$11,717,936</b>	<b>\$7,552,521</b>	<b>(\$4,165,415)</b>

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,023,061	\$1,600,451	\$422,610
Special Revenue	2,760,748	965,649	1,795,099
Enterprise	6,214,510	4,333,044	1,881,466
Custodial	75,000	78,932	(3,932)
<b>Total</b>	<b>\$11,073,319</b>	<b>\$6,978,076</b>	<b>\$4,095,243</b>

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	2021
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$2,628,596
Certificates of deposit	250,000
Other time deposits (savings and NOW accounts)	104,666
Total deposits	2,983,262
 Total Deposits and Investments	 \$2,983,262

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.

***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 Wintersville, Ohio**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 5 – Taxes**

***Property Taxes***

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

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

***Income Taxes***

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**Note 6– Risk Management**

***Workers' Compensation***

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

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**Village of Wintersville, Ohio**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Ohio Police and Fire Retirement System***

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

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

**Note 8 – Postemployment Benefits**

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

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 9 – Debt**

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

**Village of Wintersville, Ohio**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan CT32J	\$35,000	0.00%
Ohio Public Works Commission Loan CN40M	20,752	0.00%
Ohio Public Works Commission Loan CT46O	325,000	0.00%
Ohio Public Works Commission Loan CT71P	223,143	0.00%
Ohio Public Works Commission Loan CN28T	363,640	0.00%
Ohio Public Works Commission Loan CT55V	72,000	0.00%
Ohio Public Works Commission Loan CT57W	410,268	0.00%
Ohio Water Development Authority Loan 6281	1,404,941	1.00%
Ohio Water Development Authority Loan 6774	1,540,128	1.00%
Ohio Water Development Authority Loan 7787	728,369	1.00%
Ohio Water Development Authority Loan 8910	1,615,525	0.76%
Ohio Water Development Authority Loan 9205	164,970	0.00%
USDA Loan	44,700	2.13%
Total	<u>\$6,948,436</u>	

Ohio Public Works Commission (OPWC) Loan CT32J was used to finance a road paving and reconstruction project. The loan is collateralized by the Village's taxing authority.

Ohio Public Works Commission (OPWC) Loan CN40M was used to finance a Water Tank Refurbishment Project. The loan is collateralized by the Village's taxing authority.

Ohio Public Works Commission (OPWC) Loan CT46O and Ohio Water Development Authority (OWDA) Loan 6281 were used to finance upgrades to the Village's Wastewater Treatment Plant that were mandated by the EPA. This is a multi-phase project. This was phase I of the plant upgrades. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

Ohio Public Works Commission (OPWC) Loan CT71P is being used to finance phase II of the EPA mandated improvements to the Villages Wastewater Treatment Plant for pump station improvements. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

Ohio Public Works Commission (OPWC) Loan CN28T is being used to finance phase IV of the EPA mandated improvements to the Village's Wastewater Treatment Plant for pump station improvements. The first scheduled payment on this issue is July 1, 2020. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

Ohio Public Works Commission (OPWC) Loan CT55V was used to finance a road paving and reconstruction project. The loan is collateralized by the Village's taxing authority.

Ohio Public Works Commission (OPWC) Loan CT57W was used to finance sanitary improvement phase V. The loan is collateralized by utility receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements. No amortization schedule is available at this time.

Ohio Water Development Authority (OWDA) Loan 6281 was used for the planning of phase I of the EPA mandated upgrades to the Village's Wastewater Treatment Plant. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

**Village of Wintersville, Ohio**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

Ohio Water Development Authority (OWDA) Loan 6774 is being used for phase II of the EPA mandated improvement to the Village’s Wastewater Treatment plant for pump station improvements. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Ohio Water Development Authority (OWDA) Loan 7787 is being used for phase IV of the EPA mandated improvement to the Village’s Wastewater Treatment plant for pump station improvements. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. No amortization schedule is available at this time.

Ohio Water Development Authority (OWDA) Loan 8910 is being used for phase V of the EPA mandated improvement to the Village’s Wastewater Treatment plant for pump station improvements. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. No amortization schedule is available at this time.

Ohio Water Development Authority (OWDA) Loan 9205 is being used for phase VI of the EPA mandated improvement to the Village’s Wastewater Treatment plant for pump station improvements. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. No amortization schedule is available at this time.

United States Department of Agriculture (USDA) Loan is being used to purchase and equip a Village police cruiser and to purchase body cameras for the Village Police Officers.

***Amortization***

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

Year Ending December 31:	OPWC CT32J	OPWC CN40M	OPWC CT460	OPWC CT71P	OPWC CN28T
2022	\$5,000	\$2,184	\$25,000	\$13,946	\$12,759
2023	5,000	2,184	25,000	13,946	12,759
2024	5,000	2,184	25,000	13,946	12,759
2025	5,000	2,184	25,000	13,946	12,759
2026	5,000	2,184	25,000	13,946	12,759
2027-2031	10,000	9,832	125,000	69,730	63,795
2032-2036			75,000	69,730	63,795
2037-2041				13,953	63,795
2042-2046					63,795
2047-2051					44,665
Total	<u>\$35,000</u>	<u>\$20,752</u>	<u>\$325,000</u>	<u>\$223,143</u>	<u>\$363,640</u>

Year Ending December 31:	OPWC CT55V	OWDA 6281	OWDA 6774	USDA loan
2022	\$9,000	\$124,536	\$126,634	\$11,750
2023	9,000	124,536	126,634	11,820
2024	9,000	124,536	126,634	11,784
2025	9,000	124,536	126,634	11,744
2026	9,000	124,536	126,634	
2027-2031	27,000	622,680	633,170	
2032-2036		249,069	379,903	
Total	<u>\$72,000</u>	<u>\$1,494,429</u>	<u>\$1,646,243</u>	<u>\$47,098</u>

**Village of Wintersville, Ohio**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 10 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	3,070	121	3,191
<i>Total</i>	<i>\$3,070</i>	<i>\$121</i>	<i>\$3,191</i>

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

**Note 11 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2021, the Village received \$4,000 as an on-behalf of grant from another government. These amounts are recorded in the applicable Special Revenue Fund.

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# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Wintersville  
Jefferson County  
200 Grove Street  
Wintersville, Ohio 43953

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2021 and related notes to the financial statements of the Village of Wintersville, Jefferson County, (the Village) and have issued our report thereon dated July 29, 2022, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item 2021-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings as item 2021-002 to be a significant deficiency.

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

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

July 29, 2022



**VILLAGE OF WINTERSVILLE  
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2021**

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

**FINDING NUMBER 2021-001**

**Material Weakness – Financial Reporting**

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 Fiscal Officer did not abide by the adopted chart of accounts in coding and classifying various transactions which resulted in adjustments and reclassifications to the filed financial statements. The Village Fiscal Officer and management have agreed to and posted the adjustments to the Village's accounting records. The corrected amounts are reflected in the accompanying financial statements.

**Adjustments:**

<b>Fund From:</b>	<b>Adjusted</b>	<b>Fund Adjusted To:</b>	<b>Amount</b>	<b>Explanation</b>
Permissive Motor Vehicle License		Corona Virus Relief	\$4,735	Justice emergency funding from State posted to the wrong fund.
		Phase V Collection System	1,189,757	OWDA 8910 post memo receipts and disbursements not posted to the ledgers.
		Phase V Collection System	8,451	OWDA 8910 capitalized interest not posted to the ledgers.
		Phase V Collection System	413,297	OPWC Grant receipts and disbursements not posted to ledgers.
		Phase V Collection System	410,268	OPWC loan proceeds and disbursements not posted to ledgers.
Sanitation		Sanitation R & I	9,436	Charges for services receipts posted to the wrong fund.
Sewer R & I		Sanitary Sewer Phase 6	32,800	OWDA #9205 Loan proceeds and disbursements posted to the wrong fund.
Phase V Collection System		Sanitary Sewer Phase 6	20,200	OWDA #9205 Loan proceeds and disbursements posted to the wrong fund.
Phase V Collection		Sanitary Sewer Phase 6	53,000	OWDA #9205 Loan proceeds and disbursements posted to the wrong fund.

**Finding Number 2021-001 (Continued)**

	Magistrate Court Custodial	1,688	Magistrate disbursements not posted to Village ledgers.
	General	1,688	Fines, licenses and fees receipts not posted to Village ledgers.

**Reclassifications:**

<b>Fund</b>	<b>Reclassified To:</b>	<b>Explanation</b>	<b>Amount</b>
Corona Virus Relief	Intergovernmental Receipts	To reclassify State Intergovernmental receipt that was posted as a Special Item.	\$192,165
Police	Charges for Services Receipts	To reclassify payments from a School District for resource officer.	22,222
Phase V Collection System	Loan proceeds/disbursements OWDA #8910	To reclassify from charges for services/other disbursements.	98,384
Sanitary Sewer Phase 6	Loan proceeds OWDA #9205	To reclassify from Intergovernmental Receipts.	111,970

Adjustments to the Financial Statement Notes include:

- Within the Summary of Significant Accounting Policies Note, the Special Revenue paragraph was not correctly presented; custodial funds paragraph was not included;
- The Budgetary Activity Note did not include accurate comparison tables and figures;
- The Deposits and Investments Note did not include accurate figures and did not agree to the financial statements;
- The Property Taxes Note did not include the required information as per the Auditor of State Village shell;
- The Debt Note did not report accurate ending principal balances for each loan and the amortization table was not included. In addition, a description of each debt was not included;
- The Defined Benefits Plan and Post-Employment Benefits notes were included, however, did not include the most current information as per the Auditor of State Village shell; and
- The Fund Balances Note was not included as per the Auditor of State Village shell;

The Village did not have procedures in place to record transactions properly or procedures in place to include updated disclosures.

Failure to consistently follow a uniform chart of accounts increases the possibility the Village will not be able to identify, assemble, classify, record, and report its transactions correctly or to document compliance with finance-related legal and contractual requirements.

The Fiscal Officer should maintain the accounting system to enable the Village to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the UAN chart of accounts to help ensure that financial activity of the Village is accurately recorded and reported. In addition, the Village should review the financial statements and notes prior to report submission and ensure the most current version of the notes are used, which is located on the Auditor of State's website under Reference Material, and includes accurate information.

**FINDING NUMBER 2021-002**

**Significant Deficiency – Debt Schedule**

A debt schedule is to be completed for each debt instrument and should include, but not be limited to, the name of the issue, the date of issue, the interest rate, the original principal of the instrument, additional proceeds, principal and interest payments made during the year, and ending principal balance. In addition, the debt schedule should include principal and interest amounts due in each of the next five years, and in five year increments thereafter.

The Village failed to present an accurate debt schedule for 2021 since the schedule did not report accurate ending balances and debt proceeds were omitted. Failure to maintain a debt schedule inhibits the Village's ability to monitor debt activity including debt proceeds, payments, and balances. As a result of not preparing an accurate debt schedule, debt proceeds were inaccurately posted to the Village's financial records as intergovernmental receipts. This resulted in adjustments to the Village's financial statements.

The Fiscal Officer's debt schedule should include accurate beginning balances, debt proceeds, principal and interest payments, and ending balances for all debt issues. The ending balances should be confirmed with the issuers to help ensure the debt schedule is an accurate reflection of debt activity for the year.

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

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**Village of Wintersville**  
Office of the Administrator  
Municipal Complex, 200 Grove Street  
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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2021**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2017-002	Material Weakness- Budgetary Measures	Not Corrected	Re-Issued in the Management Letter
2017-003	Material Weakness- Accurate Posting of Transactions	Not Corrected	Re-Issued as Finding 2021-001
2020-003	Significant Deficiency- Accurate Debt Schedule	Not Corrected	Re-Issued as Finding 2021-002

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF WINTERSVILLE**

**JEFFERSON 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 9/6/2022**

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)