

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022-2021

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Village Council
Village of Barnesville
PO Box 190
Barnesville, OH 43713-0190

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

June 28, 2023

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**VILLAGE OF BARNESVILLE
BELMONT COUNTY
FOR THE YEARS ENDED DECEMBER 31, 2022-2021**

TABLE OF CONTENTS

Table of Contents	(i)
Independent Auditors' Report	1-3
Financial Statements	
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2022	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary Fund Types For the Year Ended December 31, 2022	5
Combined Statement of Additions, Deductions, and Changes in Fund Cash Balances - All Fiduciary Fund Types For the Year Ended December 31, 2022	6
2022 Notes to the Financial Statements	7
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2021	20
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary Fund Types For the Year Ended December 31, 2021	21
Combined Statement of Additions, Deductions, and Changes in Fund Cash Balances - All Fiduciary Fund Types For the Year Ended December 31, 2021	22
2021 Notes to the Financial Statements	23
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards.	36
Schedule of Findings	38
Schedule of Prior Audit Findings	39

**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Village of Barnesville
Belmont County
P.O. Box 190
Barnesville, Ohio 43713

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Village of Barnesville, Belmont County, Ohio (the Village) which comprises the cash balances, receipts and disbursements for each governmental fund type and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

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 fund type and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revise 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 Village of Barnesville, Belmont County as of December 31, 2022 and 2021, or changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards general 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 Responsibilities for the Audit of Financial Statements* section of our report. We are required to be independent of Village of Barnesville, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by Village of Barnesville 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 general 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 described in Note 16 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for 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 Village of Barnesville'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 Responsibility 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 May 2, 2023, on our consideration of Village of Barnesville'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 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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
May 2, 2023

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts					
Property Tax and Other Local Taxes	\$ 192,986	\$ 128,516	\$ -	\$ -	\$ 321,502
Municipal Income Tax	1,025,106	-	-	-	1,025,106
Intergovernmental	181,947	491,595	-	-	673,542
Special Assessments	-	1,425	-	5,838	7,263
Charges for Services	83,121	632,312	-	-	715,433
Fines, Licenses, and Permits	39,615	3,735	-	-	43,350
Earnings on Investments	152,319	-	-	-	152,319
Miscellaneous	1,307,033	52,168	-	-	1,359,201
Total Cash Receipts	<u>2,982,127</u>	<u>1,309,751</u>	<u>-</u>	<u>5,838</u>	<u>4,297,716</u>
Cash Disbursements					
Current:					
Security of Persons and Property	939,780	556,203	-	-	1,495,983
Public Health Services	9,583	100,385	-	-	109,968
Leisure Time Activities	29,712	315,346	-	-	345,058
Basic Utility Services	87,216	32,016	-	-	119,232
Transportation	-	477,632	-	15,850	493,482
General Government	302,146	2,002	-	-	304,148
Capital Outlay	-	-	-	159,206	159,206
Debt Service					
Principal Retirement	-	-	224,806	-	224,806
Interest and Fiscal Charges	-	-	21,714	-	21,714
Total Cash Disbursements	<u>1,368,437</u>	<u>1,483,584</u>	<u>246,520</u>	<u>175,056</u>	<u>3,273,597</u>
Excess of Receipts Over/(Under) Disbursements	1,613,690	(173,833)	(246,520)	(169,218)	1,024,119
Other Financing Receipts/(Disbursements)					
Sale of Capital Assets	-	27,000	-	-	27,000
Transfers - In	55,000	60,000	260,172	180,000	555,172
Transfers - Out	(245,687)	(86,184)	-	-	(331,871)
Total Other Financing Receipts/(Disbursements)	(190,687)	816	260,172	180,000	250,301
Net Change in Cash Fund Balances	1,423,003	(173,017)	13,652	10,782	1,274,420
Fund Cash Balances, January 1, 2022, restated	<u>2,385,139</u>	<u>3,246,825</u>	<u>12,393</u>	<u>362,734</u>	<u>6,007,091</u>
Fund Cash Balances, December 31, 2022	<u>\$ 3,808,142</u>	<u>\$ 3,073,808</u>	<u>\$ 26,045</u>	<u>\$ 373,516</u>	<u>\$ 7,281,511</u>

See notes to financial statements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

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

	Proprietary
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 2,683,005
Miscellaneous	32,971
Total Operating Cash Receipts	2,715,976
Operating Cash Disbursements:	
Personal Services	578,203
Employee Fringe Benefits	274,335
Contractual Services	331,445
Supplies and Materials	616,333
Other	2,521
Total Operating Cash Disbursements	1,802,837
Operating Income/(Loss)	913,139
Non-Operating Receipts (Disbursements):	
Intergovernmental Receipts	2,406,051
Loan Proceeds	13,775
Capital Outlay	(2,441,191)
Total Non-Operating Receipts (Disbursements):	(21,365)
Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances	891,774
Transfers Out	(223,301)
Net Change in Fund Cash Balances	668,473
Fund Cash Balances, January 1, restated	7,883,226
Fund Cash Balances, December 31	\$ 8,551,699

See notes to financial statements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**COMBINED STATEMENT OF ADDITIONA, DEDUCTIONS AND
CHANGES IN FUND CASH BALANCES
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Fiduciary
	Custodial
Additions:	
Amounts Received as Fiscal Agent	\$ 15,965
Total Additions	15,965
Deductions:	
Distributions as Fiscal Agent	15,965
Total Deductions	15,965
Net Change in Fund Cash Balances	-
Fund Cash Balances, January 1	15,675
Fund Cash Balances, December 31	\$ 15,675

See notes to financial statements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Barnesville, Belmont County, (the Village) as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, street maintenance, emergency management, fire protection and police services. The Village appropriates general fund money to support a volunteer fire department.

The Village participates in jointly governed organizations. Note 11 to the financial statements provides additional information for these entities.

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

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 balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary fund types which are organized on a fund type basis and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types 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:

Governmental Funds

General Fund

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific 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 money for constructing, maintaining, and repairing Village streets.

Emergency Medical Services Fund – This fund receives charges for services from residents to provide emergency medical services.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Funds

These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Ohio Water Development Authority (OWDA) Note Fund – This fund receives sewer revenue money to make principal and interest payments towards an OWDA loan for wastewater treatment plant sludge improvement.

Capital Project Fund

These funds are used to account for and reports 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:

Industrial Park Sewage Fund - This fund received funding from the County and a mandated percentage from income tax collection in 2015 for construction of a sewer system in the Industrial Park for JEDD #1.

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 – This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Fiduciary Funds

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for the financial activity of Mayors Court and the JEDD #2.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(C) 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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

Estimated Resources

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

Encumbrances

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

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investment as assets. This basis does not record disbursement 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, U.S. Treasury Notes and common stock at cost or fair value when donated. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant, and Equipment

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

Accumulated Leave

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

Fund Balance

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

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

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

Committed – Council can *commit* via formal action (resolution). The Village must adhere to these commitments unless 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 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 ordinance, or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 15.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2022 is as follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,614,930	\$ 3,037,127	\$ 1,422,197
Special Revenue	1,432,347	1,396,751	(35,596)
Debt Service	260,312	260,172	(140)
Capital Projects	186,000	185,838	(162)
Enterprise	7,732,481	5,135,802	(2,596,679)
Total	\$ 11,226,070	\$ 10,015,690	\$ (1,210,380)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,403,922	\$ 1,672,789	\$ 731,133
Special Revenue	2,341,634	2,017,289	324,345
Debt Service	260,172	246,520	13,652
Capital Projects	204,400	176,575	27,825
Enterprise	6,917,108	5,533,057	1,384,051
Total	\$ 12,127,236	\$ 9,646,230	\$ 2,481,006

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 deposits and investment accounts are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand Deposits	\$ 4,530,956
Certificates of Deposit	2,462,913
Total Deposits	6,993,869
Municipal Bonds	8,806,772
Money Market	24,697
STAR Ohio	2,201
Donated Common Stock	21,346
Total Investments	\$ 8,855,016
Total carrying amount of deposits and investments held in Pool	\$ 15,848,885

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statements reflect gross payroll. The balance in the Village's payroll clearing account represent unremitted employee payroll withholdings.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

4. DEPOSITS AND INVESTMENTS (Continued)

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: An investment firm holds the Village's equity securities in book-entry form in the Village's name. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form. Donated stocks are valued at the value at the time of donation.

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by 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.

6. LOCAL INCOME TAX

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, JEDD #1, and JEDD #2 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.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- * Comprehensive property and general liability
- * Vehicles
- * Errors and omissions

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

8. DEFINED BENEFIT PENSION PLAN

The Ohio Revised Code also prescribes contribution rates. For 2022, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.0% of participant's gross salaries. The Village has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement

The Village's full-time police officers belong to the 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants in 2022 contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police officer's wages. The Village has paid all contributions required through December 31, 2022.

Social Security

Several Village employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

9. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. 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.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

10. DEBT

Debt outstanding at December 31, 2022 was as follows:

	2022 Principal	%
Ohio Public Works Commission CR17I	\$ 88,303	2.00
Ohio Public Works Commission CR20K	20,825	0.00
Ohio Public Works Commission CR24U	30,250	0.00
Ohio Public Works Commission CR20V	44,703	0.00
Ohio Public Works Commission CR13X	63,253	0.00
USDA Fire Truck Bonds	33,600	3.00
USDA EMS Vehicle Bonds	106,100	2.00
Ohio Water Development Authority #9902	13,775	0.00
Ohio Water Development Authority #5410	229,812	1.00
Ohio Water Development Authority #3501	561,601	2.00
Total	\$ 1,192,222	

The Ohio Public Works Commission Loan CR24U is a 0% loan used for paving Village streets. The loan will be repaid in semiannual installments of \$2,750 over 10 years. The loan is collateralized by the Villages taxing authority.

The Ohio Public Works Commission Loan CR17I is a 2% loan used for the Water Treatment Plant Expansion. The loan will be repaid in semiannual installments of \$9,289, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR20K is a 0% loan used for WWTP Improvements. The loan will be repaid in semiannual installments of \$1,225, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR20V is a 0% loan used for paving Village streets. The loan will be repaid in semiannual installments of \$3,193 over 10 years. The loan is collateralized by the Villages taxing authority.

The Ohio Public Works Commission Loan CR13X is a 0% loan used for paving Village streets. The loan will be repaid in semiannual installments of \$2,343 over 10 years. The loan is collateralized by the Villages taxing authority.

The United States Department of Agriculture (USDA) of \$46,000 relates to the Village purchasing a 2020 GMC Sierra truck to be used by the fire department in 2019. The bonds will be repaid over ten years bearing interest of 3%.

The United States Department of Agriculture (USDA) of \$130,000 relates to the Village purchasing an EMS Vehicle to be used by the EMS department in 2020. The bonds will be repaid over ten years bearing interest of 2%.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

10. DEBT (Continued)

The Ohio Water Development Authority (OWDA) loan #5410 relates to the WWTP Sludge Handling Improvements. The OWDA has approved \$511,285 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$14,135, including interest at a rate of 1%, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #3501 relates to the Water Treatment Plant. The OWDA has approved \$2,324,133 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$59,295, including interest at a rate of 2%, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #9902 relates to the 16" Raw water Transmission Main. The OWDA has approved \$1,034,163 in loans to the Village for this project. As of December 31, 2022, the Village has drawn \$13,775 of this loan. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. There is no amortization schedule as of December 31, 2022.

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

Year Ending December 31	OPWC CR17I	OPWC CR20K	OPWC CR24U	OPWC CR20V	OPWC CR13X
2023	\$ 18,578	\$ 2,450	\$ 5,500	\$ 6,386	\$ 4,686
2024	18,578	2,450	5,500	6,386	4,686
2025	18,578	2,450	5,500	6,386	4,686
2026	18,578	2,450	5,500	6,386	4,686
2027	18,578	2,450	5,500	6,386	4,686
2028-2032	-	8,575	2,750	12,773	23,400
2033-2037	-	-	-	-	16,423
	<u>\$ 92,890</u>	<u>\$ 20,825</u>	<u>\$ 30,250</u>	<u>\$ 44,703</u>	<u>\$ 63,253</u>

Year Ending December 31	OWDA #5410	OWDA #3501	Truck Bonds	EMS Bonds
2023	\$ 28,270	\$ 118,590	\$ 5,408	\$ 14,555
2024	28,270	118,590	5,376	14,493
2025	28,270	118,590	5,441	14,628
2026	28,270	118,590	5,300	14,554
2027	28,270	118,590	5,459	14,575
2028-2032	98,945	-	10,765	43,694
	<u>\$ 240,295</u>	<u>\$ 592,950</u>	<u>\$ 37,749</u>	<u>\$ 116,499</u>

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

10. DEBT (Continued)

Conduit Debt

Ohio Hills Health Services, Inc. (Ohio Hills) wished to acquire Wesbanco Bank's former office within Barnesville for use as a medical clinic. Ohio Hills could obtain financing from Wesbanco Bank at a lower cost, provided the Village acquired the property and leased it to Ohio Hills, with the requirement Ohio Hills made all payments on the mortgage in the form of lease payments and subsequently purchase the property from the Village at the conclusion of the lease.

The Village purchased the property from Wesbanco Bank on October 25, 2006 for the sum of \$325,000 and entered into a mortgage with Wesbanco Bank for an amount of \$325,000. The mortgage is non-recourse, provided that in the event of a default, the Village shall not be liable to pay any portion of the unpaid balance.

The Village entered into a lease-purchase agreement with Ohio Hills, provided Ohio Hills shall make monthly payments in a sufficient manner to pay all payments due on the mortgage to Wesbanco Bank. The lease also requires Ohio Hills to pay all taxes, insurance and maintenance of the property, and to hold the Village harmless against all claims. The lease requires Ohio Hills to purchase the building for \$1 after the Wesbanco Bank mortgage is paid in full. The mortgage was paid off by the Village of Barnesville on January 10, 2018 and Ohio Hills now has a loan payable to the Village of Barnesville.

11. JOINTLY GOVERNED ORGANIZATIONS

Belmont County Regional Airport Authority

Belmont County Regional Airport Authority (Authority) is the governing body for the Barnesville-Bradfield Airport. The Authority was created in August 2008. The original governing board is comprised of three trustees appointed by the Belmont County Commissioners and two trustees appointed by the Village of Barnesville. Hereafter, any trustee whose term expires or who resigns shall be replaced by the appointed Authority who originally appointed him or her. The Authority is not dependent upon the Village of Barnesville for its continued existence, no debt exists, and the Village does not have an equity interest in or a financial responsibility for the Authority.

Barnesville-Warren Township Joint Economic Development District #1

Barnesville-Warren Township Joint Economic Development District #1 (JEDD #1) was created December 8, 2008 between the Village of Barnesville and Warren Township to provide for the operation of the District in accordance with Sections 715.72 through 715.78 of the Ohio Revised Code for their mutual benefit and for the benefit of their residents and of the State of Ohio. The Board of Directors shall consist of three members, one member representing the Village to be appointed by the Mayor with approval of Village Council, one member representing the Township, appointed by the Township Board of Trustees and one member selected by the members previously mentioned. The Board members shall serve without compensation. The Board shall meet at least once each calendar year.

The Board levied an income tax rate of 1.0% in the District in accordance with Section 715.74 of the Ohio Revised Code. The Board contracted with the Village of Barnesville to collect the income tax. Each quarter, the Village Tax Administrator shall provide the JEDD #1 with an amount sufficient to pay the outstanding or expected expenses of the operation of JEDD #1 for that quarter. Income tax monies in excess of those provided to JEDD #1 shall be credited to the Village to be spent as outlined in contractual agreement between JEDD #1 and the Village in Section 10. JEDD #1 is not dependent upon the Village of Barnesville for its continued existence, no debt exists, and the Village does not have an equity interest in or a financial responsibility for JEDD #1.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

11. JOINTLY GOVERNED ORGANIZATION (Continued)

Barnesville-Warren Township Joint Economic Development District #2

Barnesville-Warren Township Joint Economic Development District #2 (JEDD #2) was created June 18, 2012 between the Village of Barnesville and Warren Township to provide for the operation of the District in accordance with Sections 715.72 through 715.78 of the Ohio Revised Code for their mutual benefit and for the benefit of their residents and of the State of Ohio. The Board of Directors shall consist of five members, one member representing the Village to be appointed by the Mayor with approval of Village Council, one member representing the Township, appointed by the Township Board of Trustees, one member representing the owners of businesses within the District, one member representing the persons working within the District, and one member selected by the other four members. The Board members shall serve without compensation. The Board shall meet at least once each calendar year.

The Board levied an income tax rate of 1.0% in the District in accordance with Section 715.74 of the Ohio Revised Code. The Board contracted with the Village of Barnesville to collect the income tax. Each quarter, the Village Tax Administrator shall provide the JEDD #2 with an amount sufficient to pay the outstanding or expected expenses of the operation of JEDD #2 for that quarter. Income tax monies in excess of those provided to JEDD #2 shall be credited to the Village to be spent as outlined in contractual agreement between JEDD #2 and the Village in Section 10. The Village of Barnesville maintains an Agency Fund for JEDD #2. JEDD #2 is not dependent upon the Village of Barnesville for its continued existence, no debt exists, and the Village does not have an equity interest in or a financial responsibility for JEDD #2.

12. CONTINGENT LIABILITIES

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

13. RELATED PARTY TRANSACTIONS

A Village Council member is part owner of a company from which the Village acquired hardware supplies during the year.

14. LOANS RECEIVABLE

In 2013, the Village loaned Ohio Hills Health Services \$142,743 with interest at the rate of 1% for the first five years and then increasing to 1.5% per annum in consecutive monthly installments of \$1,250 for the first 60 payments and \$1,266 for the remaining 60 payments commencing September 15, 2013. Amount outstanding as of December 31, 2022 is \$12,577 with an expected amount to be collected within a year of \$12,663.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

14. LOANS RECEIVABLE (Continued)

On January 22, 2018, the conduit debt between the Village of Barnesville and Ohio Hills was paid in full by the Village. At that time, a new agreement was created between the Village of Barnesville and Ohio Hills, for Ohio Hills to pay back the Village the amount of the conduit debt paid off by the Village. The original loan amount was \$260,412 as of January 22, 2018. The loan agreement is for 20 years with the first seven years being calculated with an interest rate of 2.00%, then 2.50% over the next seven years and the final six year at 3.00%. The payment amount for the first seven years is \$1,317 per month, the next seven years is \$1,359 per month and the last six years will be \$1,379 per month. Outstanding balance as of December 31, 2022 is \$205,693 with an expected amount to be collected within a year of \$15,809.

15. 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 expendable 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 facilities effective cash planning and control. At year end, the balances of those amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Nonspendable:					
Corpus	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Encum.	58,665	447,521	-	1,519	507,705
Total	<u>\$ 58,665</u>	<u>\$ 447,521</u>	<u>\$ -</u>	<u>\$ 1,519</u>	<u>\$ 507,705</u>

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

16. COVID-19

The United States and the State of Ohio declared a state of emergency in March 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 ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

During 2022, the Village received \$211,070 in American Rescue Plan funding.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

17. RESTATEMENT OF FUND BALANCES

Fund balance in the General Fund, Special Revenue Fund and Enterprise Fund has been restated for the year beginning January 1, 2022 as voided checks were added back.

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>
Fund Balance at December 31, 2021	\$ 2,383,525	\$ 3,246,792	\$ 7,882,254
Adjustments	1,614	33	972
Fund Balance at January 1, 2022	<u>\$ 2,385,139</u>	<u>\$ 3,246.825</u>	<u>\$ 7,883,226</u>

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts					
Property Tax and Other Local Taxes	\$ 164,126	\$ 121,776	\$ -	\$ -	\$ 285,902
Municipal Income Tax	992,797	-	-	-	992,797
Intergovernmental	203,124	562,616	-	-	765,740
Special Assessments	-	1,325	-	8,440	9,765
Charges for Services	72,047	608,275	-	-	680,322
Fines, Licenses, and Permits	40,177	545	-	-	40,722
Earnings on Investments	137,357	-	-	-	137,357
Miscellaneous	14,394	59,418	-	-	73,812
Total Cash Receipts	<u>1,624,022</u>	<u>1,353,955</u>	<u>-</u>	<u>8,440</u>	<u>2,986,417</u>
Cash Disbursements					
Current:					
Security of Persons and Property	894,158	531,095	-	-	1,425,253
Public Health Services	-	102,459	-	-	102,459
Leisure Time Activities	28,496	260,504	-	-	289,000
Basic Utility Services	63,704	-	-	-	63,704
Transportation	-	473,718	-	11,625	485,343
General Government	341,535	1,937	-	-	343,472
Capital Outlay	-	-	-	49,196	49,196
Debt Service	-	-	-	-	-
Principal Retirement	-	-	265,697	-	265,697
Interest and Fiscal Charges	-	-	25,418	-	25,418
Total Cash Disbursements	<u>1,327,893</u>	<u>1,369,713</u>	<u>291,115</u>	<u>60,821</u>	<u>3,049,542</u>
Excess of Receipts Over/(Under) Disbursements	296,129	(15,758)	(291,115)	(52,381)	(63,125)
Other Financing Receipts/(Disbursements)					
Other Debt Proceeds	-	70,281	-	-	70,281
Sale of Capital Assets	2,500	2,151	-	-	4,651
Transfers - In	44,689	740,000	266,004	150,000	1,200,693
Transfers - Out	(914,860)	(83,642)	-	-	(998,502)
Total Other Financing Receipts/(Disbursements)	(867,671)	728,790	266,004	150,000	277,123
Net Change in Cash Fund Balances	(571,542)	713,032	(25,111)	97,619	213,998
Fund Cash Balances, January 1, 2021	<u>2,955,067</u>	<u>2,533,760</u>	<u>37,504</u>	<u>265,115</u>	<u>5,791,446</u>
Fund Cash Balances, December 31, 2021	<u>\$ 2,383,525</u>	<u>\$ 3,246,792</u>	<u>\$ 12,393</u>	<u>\$ 362,734</u>	<u>\$ 6,005,444</u>

See notes to financial statements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

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

	Proprietary
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 2,634,633
Miscellaneous	36,400
Total Operating Cash Receipts	2,671,033
Operating Cash Disbursements:	
Personal Services	586,649
Employee Fringe Benefits	312,672
Contractual Services	293,239
Supplies and Materials	511,821
Other	2,064
Total Operating Cash Disbursements	1,706,445
Operating Income/(Loss)	964,588
Non-Operating Receipts (Disbursements):	
Intergovernmental Receipts	4,730
Capital Outlay	(13,691)
Total Non-Operating Receipts (Disbursements):	(8,961)
Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances	955,627
Transfers Out	(202,191)
Net Change in Fund Cash Balances	753,436
Fund Cash Balances, January 1	7,128,818
Fund Cash Balances, December 31	\$ 7,882,254

See notes to financial statements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**COMBINED STATEMENT OF ADDITIONA, DEDUCTIONS AND
CHANGES IN FUND CASH BALANCES
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Fiduciary
	Custodial
Additions:	
Amounts Received as Fiscal Agent	\$ 21,664
Total Additions	21,664
Deductions:	
Distributions as Fiscal Agent	21,664
Total Deductions	21,664
Net Change in Fund Cash Balances	-
Fund Cash Balances, January 1	15,675
Fund Cash Balances, December 31	\$ 15,675

See notes to financial statements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Barnesville, Belmont County, (the Village) as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, street maintenance, emergency management, fire protection and police services. The Village appropriates general fund money to support a volunteer fire department.

The Village participates in jointly governed organizations. Note 11 to the financial statements provides additional information for these entities.

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

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 balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary fund types which are organized on a fund type basis and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types 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:

Governmental Funds

General Fund

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific 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 money for constructing, maintaining, and repairing Village streets.

Emergency Medical Services Fund – This fund receives charges for services from residents to provide emergency medical services.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Funds

These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Ohio Water Development Authority (OWDA) Note Fund – This fund receives sewer revenue money to make principal and interest payments towards an OWDA loan for wastewater treatment plant sludge improvement.

Capital Project Fund

These funds are used to account for and reports 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:

Industrial Park Sewage Fund - This fund received funding from the County and a mandated percentage from income tax collection in 2015 for construction of a sewer system in the Industrial Park for JEDD #1.

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 – This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Fiduciary Funds

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for the financial activity of Mayors Court and the JEDD #2.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(C) 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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

Estimated Resources

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

Encumbrances

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

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investment as assets. This basis does not record disbursement 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, U.S. Treasury Notes and common stock at cost or fair value when donated. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant, and Equipment

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

Accumulated Leave

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

Fund Balance

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

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

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

Committed – Council can *commit* via formal action (resolution). The Village must adhere to these commitments unless 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 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 ordinance, or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 15.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2021 is as follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,454,775	\$ 1,671,211	\$ 216,436
Special Revenue	1,966,930	2,166,387	199,457
Debt Service	266,004	266,004	-
Capital Projects	194,000	158,440	(35,560)
Enterprise	2,429,200	2,675,763	246,563
Total	\$ 6,310,909	\$ 6,937,805	\$ 626,896

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,942,922	\$ 2,315,427	\$ 627,495
Special Revenue	2,455,786	1,501,221	954,565
Debt Service	303,165	291,115	12,050
Capital Projects	277,100	60,821	216,279
Enterprise	3,769,186	2,197,330	1,571,856
Total	\$ 9,748,159	\$ 6,365,914	\$ 3,382,245

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 deposits and investment accounts are as follows:

	2021
<i>Cash Management Pool:</i>	
Demand Deposits	\$ 2,710,577
Certificates of Deposit	3,203,586
Total Deposits	5,914,163
Municipal Bonds	7,933,391
Money Market	32,309
STAR Ohio	2,164
Donated Common Stock	21,346
Total Investments	\$ 7,989,210
Total carrying amount of deposits and investments held in Pool	\$ 13,903,373

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statements reflect gross payroll. The balance in the Village's payroll clearing account represent unremitted employee payroll withholdings.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

4. DEPOSITS AND INVESTMENTS (Continued)

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: An investment firm holds the Village's equity securities in book-entry form in the Village's name. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form. Donated stocks are valued at the value at the time of donation.

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by 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.

6. LOCAL INCOME TAX

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, JEDD #1, and JEDD #2 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.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- * Comprehensive property and general liability
- * Vehicles
- * Errors and omissions

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

8. DEFINED BENEFIT PENSION PLAN

The Ohio Revised Code also prescribes contribution rates. For 2021, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.0% of participant's gross salaries. The Village has paid all contributions required through December 31, 2021.

Ohio Police and Fire Retirement

The Village's full-time police officers belong to the 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants in 2021 contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police officer's wages. The Village has paid all contributions required through December 31, 2021.

Social Security

Several Village employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

9. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. 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.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

10. DEBT

Debt outstanding at December 31, 2021 was as follows:

	2021 <u>Principal</u>	<u>%</u>
Ohio Public Works Commission CR07G	\$ 7,166	2.00
Ohio Public Works Commission CR17I	104,708	2.00
Ohio Public Works Commission CR18C	70	2.00
Ohio Public Works Commission CR19F	6,998	2.00
Ohio Public Works Commission CR20K	23,275	0.00
Ohio Public Works Commission CR23L	5,774	0.00
Ohio Public Works Commission CR24U	35,750	0.00
Ohio Public Works Commission CT66E	17,850	0.00
Ohio Public Works Commission CT73F	4,229	0.00
Ohio Public Works Commission CR20V	51,089	0.00
Ohio Public Works Commission CR13X	67,938	0.00
USDA Fire Truck Bonds	37,900	3.00
USDA EMS Vehicle Bonds	118,200	2.00
Ohio Water Development Authority #5410	255,590	1.00
Ohio Water Development Authority #3501	667,370	2.00
Total	<u>\$ 1,403,907</u>	

The Ohio Public Works Commission Loan CR07G is a 2% loan used for the Sewage Relining Project. The loan will be repaid in semiannual installments of \$1,471, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR24U is a 0% loan used for paving Village streets. The loan will be repaid in semiannual installments of \$2,750 over 10 years. The loan is collateralized by the Villages taxing authority.

The Ohio Public Works Commission Loan CR17I is a 2% loan used for the Water Treatment Plant Expansion. The loan will be repaid in semiannual installments of \$9,289, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR18C is a 2% loan used for Water Line Improvements. The loan will be repaid in semiannual installments of \$7,105, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR19F is a 2% loan used for the Bailey Road Waterline. The loan will be repaid in semiannual installments of \$1,785, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR20K is a 0% loan used for WWTP Improvements. The loan will be repaid in semiannual installments of \$1,225, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

10. DEBT (Continued)

The Ohio Public Works Commission Loan CR23L is a 0% loan used for Sanitary Sewer Rehabilitation. The loan will be repaid in semiannual installments of \$361, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CT66E is a 0% loan used for the Water Treatment Plant Replacement. The loan will be repaid in semiannual installments of \$8,925, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CT73F is a 0% loan used for the Wastewater Collection-Lift Station. The loan will be repaid in semiannual installments of \$1,057, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR20V is a 0% loan used for paving Village streets. The loan will be repaid in semiannual installments of \$3,193 over 10 years. The loan is collateralized by the Villages taxing authority.

The Ohio Public Works Commission Loan CR13X is a 0% loan used for paving Village streets. The loan will be repaid in semiannual installments of \$2,343 over 10 years. The loan is collateralized by the Villages taxing authority.

The United States Department of Agriculture (USDA) of \$23,000 relates to the Village purchasing a police cruiser K-9 unit with related equipment in 2019. The bonds will be repaid over five years bearing interest of 3.875%. The balance at January 1, 2021 was re-classed from \$18,700 to \$18,600. This was paid off in 2021.

The United States Department of Agriculture (USDA) of \$46,000 relates to the Village purchasing a 2020 GMC Sierra truck to be used by the fire department in 2019. The bonds will be repaid over ten years bearing interest of 3%.

The United States Department of Agriculture (USDA) of \$130,000 relates to the Village purchasing an EMS Vehicle to be used by the EMS department in 2020. The bonds will be repaid over ten years bearing interest of 2%.

The Ohio Water Development Authority (OWDA) loan #5410 relates to the WWTP Sludge Handling Improvements. The OWDA has approved \$511,285 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$14,135, including interest at a rate of 1%, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #3501 relates to the Water Treatment Plant. The OWDA has approved \$2,324,133 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$59,295, including interest at a rate of 2%, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

10. DEBT (Continued)

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

Year Ending December 31	OPWC CR07G	OPWC CR17I	OPWC CR18C	OPWC CR19F	OPWC CR20K
2022	\$ 7,166	\$ 18,578	\$ 70	\$ 6,998	\$ 3,675
2023	-	18,578	-	-	2,450
2024	-	18,578	-	-	2,450
2025	-	18,578	-	-	2,450
2026	-	18,578	-	-	2,450
2027-2031	-	18,578	-	-	9,800
	<u>\$ 7,166</u>	<u>\$ 111,468</u>	<u>\$ 70</u>	<u>\$ 6,998</u>	<u>\$ 23,275</u>

Year Ending December 31	OPWC CR23L	OPWC CT66E	OPWC CT73F	OWDA #5410	OWDA #3501
2022	\$ 5,774	\$ 17,850	\$ 4,229	\$ 28,270	\$ 118,590
2023	-	-	-	28,270	118,590
2024	-	-	-	28,270	118,590
2025	-	-	-	28,270	118,590
2026	-	-	-	28,270	118,590
2027-2031	-	-	-	127,215	118,590
	<u>\$ 5,774</u>	<u>\$ 17,850</u>	<u>\$ 4,229</u>	<u>\$ 268,565</u>	<u>\$ 711,540</u>

Year Ending December 31	OPWC CR24U	OPWC CR20V	OPWC CR13X	Truck Bonds	EMS Bonds
2022	\$ 5,500	\$ 6,386	\$ 4,686	\$ 5,437	\$ 14,612
2023	5,500	6,386	4,686	5,408	14,555
2024	5,500	6,386	4,686	5,376	14,493
2025	5,500	6,386	4,686	5,441	14,628
2026	5,500	6,386	4,686	5,300	14,554
2027-2031	8,250	19,159	23,426	16,224	58,269
2032-2036	-	-	21,082	-	-
	<u>\$ 35,750</u>	<u>\$ 51,089</u>	<u>\$ 67,938</u>	<u>\$ 43,186</u>	<u>\$ 131,111</u>

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

10. DEBT (Continued)

Conduit Debt

Ohio Hills Health Services, Inc. (Ohio Hills) wished to acquire Wesbanco Bank's former office within Barnesville for use as a medical clinic. Ohio Hills could obtain financing from Wesbanco Bank at a lower cost, provided the Village acquired the property and leased it to Ohio Hills, with the requirement Ohio Hills made all payments on the mortgage in the form of lease payments and subsequently purchase the property from the Village at the conclusion of the lease.

The Village purchased the property from Wesbanco Bank on October 25, 2006 for the sum of \$325,000 and entered into a mortgage with Wesbanco Bank for an amount of \$325,000. The mortgage is non-recourse, provided that in the event of a default, the Village shall not be liable to pay any portion of the unpaid balance.

The Village entered into a lease-purchase agreement with Ohio Hills, provided Ohio Hills shall make monthly payments in a sufficient manner to pay all payments due on the mortgage to Wesbanco Bank. The lease also requires Ohio Hills to pay all taxes, insurance and maintenance of the property, and to hold the Village harmless against all claims. The lease requires Ohio Hills to purchase the building for \$1 after the Wesbanco Bank mortgage is paid in full. The mortgage was paid off by the Village of Barnesville on January 10, 2018 and Ohio Hills now has a loan payable to the Village of Barnesville.

11. JOINTLY GOVERNED ORGANIZATIONS

Belmont County Regional Airport Authority

Belmont County Regional Airport Authority (Authority) is the governing body for the Barnesville-Bradfield Airport. The Authority was created in August 2008. The original governing board is comprised of three trustees appointed by the Belmont County Commissioners and two trustees appointed by the Village of Barnesville. Hereafter, any trustee whose term expires or who resigns shall be replaced by the appointed Authority who originally appointed him or her. The Authority is not dependent upon the Village of Barnesville for its continued existence, no debt exists, and the Village does not have an equity interest in or a financial responsibility for the Authority.

Barnesville-Warren Township Joint Economic Development District #1

Barnesville-Warren Township Joint Economic Development District #1 (JEDD #1) was created December 8, 2008 between the Village of Barnesville and Warren Township to provide for the operation of the District in accordance with Sections 715.72 through 715.78 of the Ohio Revised Code for their mutual benefit and for the benefit of their residents and of the State of Ohio. The Board of Directors shall consist of three members, one member representing the Village to be appointed by the Mayor with approval of Village Council, one member representing the Township, appointed by the Township Board of Trustees and one member selected by the members previously mentioned. The Board members shall serve without compensation. The Board shall meet at least once each calendar year.

The Board levied an income tax rate of 1.0% in the District in accordance with Section 715.74 of the Ohio Revised Code. The Board contracted with the Village of Barnesville to collect the income tax. Each quarter, the Village Tax Administrator shall provide the JEDD #1 with an amount sufficient to pay the outstanding or expected expenses of the operation of JEDD #1 for that quarter. Income tax monies in excess of those provided to JEDD #1 shall be credited to the Village to be spent as outlined in contractual agreement between JEDD #1 and the Village in Section 10. JEDD #1 is not dependent upon the Village of Barnesville for its continued existence, no debt exists, and the Village does not have an equity interest in or a financial responsibility for JEDD #1.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

11. JOINTLY GOVERNED ORGANIZATION (Continued)

Barnesville-Warren Township Joint Economic Development District #2

Barnesville-Warren Township Joint Economic Development District #2 (JEDD #2) was created June 18, 2012 between the Village of Barnesville and Warren Township to provide for the operation of the District in accordance with Sections 715.72 through 715.78 of the Ohio Revised Code for their mutual benefit and for the benefit of their residents and of the State of Ohio. The Board of Directors shall consist of five members, one member representing the Village to be appointed by the Mayor with approval of Village Council, one member representing the Township, appointed by the Township Board of Trustees, one member representing the owners of businesses within the District, one member representing the persons working within the District, and one member selected by the other four members. The Board members shall serve without compensation. The Board shall meet at least once each calendar year.

The Board levied an income tax rate of 1.0% in the District in accordance with Section 715.74 of the Ohio Revised Code. The Board contracted with the Village of Barnesville to collect the income tax. Each quarter, the Village Tax Administrator shall provide the JEDD #2 with an amount sufficient to pay the outstanding or expected expenses of the operation of JEDD #2 for that quarter. Income tax monies in excess of those provided to JEDD #2 shall be credited to the Village to be spent as outlined in contractual agreement between JEDD #2 and the Village in Section 10. The Village of Barnesville maintains an Agency Fund for JEDD #2. JEDD #2 is not dependent upon the Village of Barnesville for its continued existence, no debt exists, and the Village does not have an equity interest in or a financial responsibility for JEDD #2.

12. CONTINGENT LIABILITIES

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

13. RELATED PARTY TRANSACTIONS

A Village Council member is part owner of a company from which the Village acquired hardware supplies during the year.

14. LOANS RECEIVABLE

In 2013, the Village loaned Ohio Hills Health Services \$142,743 with interest at the rate of 1% for the first five years and then increasing to 1.5% per annum in consecutive monthly installments of \$1,250 for the first 60 payments and \$1,266 for the remaining 60 payments commencing September 15, 2013. Amount outstanding as of December 31, 2021 is \$27,462 with an expected amount to be collected within a year of \$15,192.

In 2013, the Village loaned the Barnesville Hospital Association Inc. (the Hospital) \$1,500,000 with interest at the rate of 1% for the first five years then increasing to 1.5% for the next five years and then increasing to 2% per annum in equal monthly installments of \$10,052. During 2021, the Hospital made the monthly payments totaling \$4,012. Amount outstanding as of December 31, 2021 is \$0. The full amount has been received.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

14. LOANS RECEIVABLE (Continued)

On January 22, 2018, the conduit debt between the Village of Barnesville and Ohio Hills was paid in full by the Village. At that time, a new agreement was created between the Village of Barnesville and Ohio Hills, for Ohio Hills to pay back the Village the amount of the conduit debt paid off by the Village. The original loan amount was \$260,412 as of January 22, 2018. The loan agreement is for 20 years with the first seven years being calculated with an interest rate of 2.00%, then 2.50% over the next seven years and the final six year at 3.00%. The payment amount for the first seven years is \$1,317 per month, the next seven years is \$1,359 per month and the last six years will be \$1,379 per month. Outstanding balance as of December 31, 2021 is \$217,262 with an expected amount to be collected within a year of \$15,809.

15. 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 expendable 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 facilities effective cash planning and control. At year end, the balances of those amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Total
Nonspendable:					
Corpus	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Encum.	72,674	47,866	-	-	120,540
Total	<u>\$ 72,674</u>	<u>\$ 47,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,540</u>

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

16. COVID-19

The United States and the State of Ohio declared a state of emergency in March 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 ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

During 2021, the Village received \$209,397 in American Rescue Plan funding.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

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

Village of Barnesville
Belmont County
P.O. Box 190
Barnesville, Ohio 43713

To the Village Council:

We have audited, in accordance with auditing standards general accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of Village of Barnesville, Belmont County (the Village) and have issued our report thereon dated May 2, 2023, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Village.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Barnesville's financial statements are free of 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 Standard*.

Entity's Response to Finding

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
May 2, 2023

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

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

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

FINDING NUMBER 2022-001

Significant Deficiency

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements. The Ohio Village Officer's Handbook and the UAN Accounting and General manual provides suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications will provide the Village with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

There were numerous reclassifications and adjustments made to the financial statements and accounting records are as follows:

2022 and 2021 Reclassifications and adjustments:

- In 2022 an adjustment was made in the amount of \$13,775 to increase Other Debt Proceeds and increase Capital Outlay in the Enterprise Funds for a new OWDA loan.
- In 2021, and adjustment was made in the amount of \$70,281 to increase Other Debt Proceeds and increase Transportation in the Street Fund for a new OPWC loan used for paving.

We recommend the Fiscal Officer review guidance within the Uniform Accounting Network Accounting Manual under Village Chart of Accounts and/or the Village Officer's Handbook. This guidance will allow the Fiscal Officer to make proper postings to receipts and expenditures account classifications based on the source of receipts or the purpose of the expenditure. Someone independent of the Fiscal Officer, preferably a member of Council, should periodically review postings to the accounting system for accuracy.

Client Response: We will review all loans when incurred to determine if they could be a on behalf-of transaction.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2022**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2020-001	Material Weakness Reclassifications	No	Not Corrected Stated in report as Finding 2022-001

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BARNESVILLE

BELMONT 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 7/11/2023

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

This report is a matter of public record and is available online at
www.ohioauditor.gov