



**VILLAGE OF MONROEVILLE
HURON COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

VILLAGE OF MONROEVILLE
HURON COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

Village of Monroeville
Huron County
21 North Main Street
P.O. Box 156
Monroeville, Ohio 44847-0156

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

Emphasis of Matter

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2022

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

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$219,237	\$22,979			\$242,216
Municipal Income Tax	659,782				659,782
Intergovernmental	84,235	192,384			276,619
Charges for Services			\$50,485		50,485
Fines, Licenses and Permits	186,363	5,950			192,313
Earnings on Investments	12,791	7,338			20,129
Miscellaneous	127,025	579			127,604
<i>Total Cash Receipts</i>	<u>1,289,433</u>	<u>229,230</u>	<u>50,485</u>	<u></u>	<u>1,569,148</u>
Cash Disbursements					
Current:					
Security of Persons and Property	584,465	13,122			597,587
Public Health Services	1,192	41,013			42,205
Leisure Time Activities	18,160				18,160
Community Environment	18,276				18,276
Transportation	87,990	58,086		\$19	146,095
General Government	344,459			28,936	373,395
Capital Outlay		9,679		220,050	229,729
Debt Service:					
Principal Retirement			58,447	48,780	107,227
Interest and Fiscal Charges				120,490	120,490
<i>Total Cash Disbursements</i>	<u>1,054,542</u>	<u>121,900</u>	<u>58,447</u>	<u>418,275</u>	<u>1,653,164</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>234,891</u>	<u>107,330</u>	<u>(7,962)</u>	<u>(418,275)</u>	<u>(84,016)</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets				37,733	37,733
Transfers In				137,840	137,840
Transfers Out	(290,113)	(15,805)			(305,918)
Advances In	1,633,652	14,445			1,648,097
Advances Out	(885,545)				(885,545)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>457,994</u>	<u>(1,360)</u>	<u></u>	<u>175,573</u>	<u>632,207</u>
<i>Net Change in Fund Cash Balances</i>	692,885	105,970	(7,962)	(242,702)	548,191
<i>Fund Cash Balances, January 1</i>	<u>(192,388)</u>	<u>432,741</u>	<u>122,307</u>	<u>631,868</u>	<u>994,528</u>
<i>Fund Cash Balances, December 31</i>	<u>\$500,497</u>	<u>\$538,711</u>	<u>\$114,345</u>	<u>\$389,166</u>	<u>\$1,542,719</u>

See accompanying notes to the financial statements

Village of Monroeville
Huron County
Combined Statement of Receipts, Disbursements, and
Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2021

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$5,145,291
Solar Field Rental	44,363
Miscellaneous	43,998
	5,233,652
<i>Total Operating Cash Receipts</i>	<i>5,233,652</i>
Operating Cash Disbursements	
Personal Services	484,250
Employee Fringe Benefits	152,116
Contractual Services	3,815,454
Supplies and Materials	162,883
	4,614,703
<i>Total Operating Cash Disbursements</i>	<i>4,614,703</i>
<i>Operating Income</i>	<i>618,949</i>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	11,529
Sale of Notes	1,090,000
Other Debt Proceeds	1,158,259
Sale of Capital Assets	9,466
Capital Outlay	(1,002,737)
Principal Retirement	(1,625,969)
Interest and Other Fiscal Charges	(114,796)
Other Financing Uses	(21,800)
	(496,048)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(496,048)</i>
<i>Income Before Transfers and Advances</i>	<i>122,901</i>
Transfers In	250,994
Transfers Out	(82,916)
Advances In	871,100
Advances Out	(1,633,652)
	(471,573)
<i>Net Change in Fund Cash Balances</i>	<i>(471,573)</i>
<i>Fund Cash Balances, January 1</i>	<i>4,175,181</i>
<i>Fund Cash Balances, December 31</i>	<i>\$3,703,608</i>

See accompanying notes to the financial statements

Village of Monroeville
Huron County
Statement of Additions, Deductions, and
Change in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021

	Custodial
	Other Custodial
<i>Fund Cash Balance, January 1</i>	<i>\$4,199</i>
<i>Fund Cash Balance, December 31</i>	<i>\$4,199</i>

See accompanying notes to the financial statements

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 - Reporting Entity

The Village of Monroeville, Huron County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general governmental services, water, sewer, and electrical utilities, park operations, road maintenance, and police services. The Village contracts with the Huron County Sheriff's department to provide 911 emergency dispatch services for security of persons and property.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

The Village participates in two jointly governed organizations, several joint ventures, and two public entity risk pools. Notes 7, 14, and 16 to the financial statements provide additional information for these entities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for all governmental fund types, a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for the proprietary fund type, and a statement of additions, deductions, and change in fund balance (regulatory cash basis) for the fiduciary fund type, which are all organized on a fund type basis.

Fund Accounting

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

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

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

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

American Rescue Plan Act Fund The American Rescue Plan Act (ARPA) Fund receives ARPA funding to be used for eligible expenses.

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Debt Service Funds These funds 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:

Sanitary Sewer Fund The Sanitary Sewer Fund accounts for the accumulation of user charges committed for the repayment of a portion of the Ohio Water Development Authority WWTP Improvement Loan.

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

Municipal Building Fund The Municipal Building Fund accounts for the accumulation of monies set aside for and loan proceeds related to the construction of a new Village municipal building.

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 Fund:

Electric Operating Fund The Electric Operating Fund accounts for the provision of electric service to residential and commercial users. The fund receives charges for services from residents, non-residents, and commercial users to cover electric service costs.

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. The Village did not have any trust funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for money received from the Huron County Engineer's Office (the County) for the County's portion of a shared Ohio Public Works Commission project.

Basis of Accounting

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

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

Budgetary Process

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

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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. Appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

Investments in STAR Ohio are measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 17.

Note 3 - Budgetary Activity

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,369,423	\$2,923,085	(\$446,338)
Special Revenue	243,826	243,674	(152)
Debt Service	52,000	50,485	(1,515)
Capital Projects	141,841	175,573	33,732
Enterprise	9,522,751	8,625,000	(897,751)
Total	\$13,329,841	\$12,017,817	(\$1,312,024)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,035,952	\$2,230,200	\$805,752
Special Revenue	212,320	137,705	74,615
Debt Service	58,450	58,447	3
Capital Projects	444,795	418,275	26,520
Enterprise	10,863,689	9,096,573	1,767,116
Total	\$14,615,206	\$11,941,200	\$2,674,006

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 - Deposits and Investments

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

	<u>2021</u>
<i>Cash Management Pool (The Pool):</i>	
Demand deposits	\$1,581,763
Certificates of deposit	<u>2,960,027</u>
Total deposits	4,541,790
STAR Ohio	<u>708,736</u>
Total carrying amount of deposits and investments held in the Pool	<u><u>\$5,250,526</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Village is holding \$13,688 in unremitted employee payroll withholdings.

Deposits

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

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 5 - Taxes

Property Taxes

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

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

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

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Income Taxes

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

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

Note 6 - Interfund Balances

Outstanding advances at December 31, 2021 consisted of \$26,111 advanced to the Rt. 20 Waterline Project Fund to provide working capital for a waterline project; \$14,445 advanced to the PUCO Railroad Safety Enhancement Project Fund for the installation of flashing warning signs at three railroad crossings within the Village; and \$15,690 advanced to the Water Meter Replacement Fund for the purchase of radio read water meters.

Note 7 - Risk Management

Risk Pool Membership - Property and Liability

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

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

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

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

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Risk Pool Membership - Health Insurance

The Village contracts with the Ohio Valley Public Employees Joint Self-Insurance Cooperative, which is a sub-pool of Jefferson Health Plan, to provide medical and prescription drug coverage.

The Ohio Valley Public Employees Joint Self-Insurance Cooperative (OV-InsCo-op) organized pursuant to Ohio Rev. Code Section 9.833 was established for the public purpose of enabling its members to obtain insurance coverage, provide methods for paying claims and provide a formalized jointly administered self-insurance pool.

Each member of OV-InsCo-op is obligated to pay a fee based on an estimate of the member's share of OV-InsCo-op costs for the year. Included in this estimate are claims by eligible employees, which are payable by each member, the member's share of the medical, prescription, vision and dental premiums, and their proportionate share of the administrative costs of OV-InsCo-op. If a member is in a deficit position, the participating member has two fiscal years to make up a negative reserve amount or an insufficient IBNR and three fiscal years to make up insufficient claims fluctuation reserves.

Members are required to provide six months' notice of withdrawal from OV-InsCo-op for the termination, allowing OV-InsCo-op time to determine any withdrawal balance owed to or by the departing employer. Any outstanding reserve balances are held by OV-InsCo-op for a maximum period of six months to satisfy the payment of claims incurred before termination. The terminating member has the option to pay all of claims incurred prior to the termination of membership so that any reserves could be released sooner. Employers found to be in a deficit position wishing to leave OV-InsCo-op will be required to repay the deficit in full within 90 days of the effective withdrawal date. Additionally, such terminating member will be required to pay any claims incurred prior to termination notification.

OV-InsCo-op reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2021
Cash	\$392,034
Actuarial liabilities	\$175,000

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Ohio Police and Fire Retirement System

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

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

Social Security

Other 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.

Note 9 - Postemployment Benefits

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

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Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

10 - Debt

Debt outstanding at December 31, 2021 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loans		
Water Line Replacement Loan #2053	\$17,476	5.66%
Sewer Line Replacement Loan #2054	19,631	5.66%
WWTP Improvements Loan #2159	72,034	5.77%
Sandusky St Sewer/CSO Reg Removal Loan #4524	86,999	0.00%
Elevated Storage Tank Rehab Loan #5949	153,610	2.00%
WWTP Improvements Loan #6229	2,172,123	0.00%
Monroe St Sanitary Sewer Line Replacement Loan #7117	1,029,939	3.19%
Emergency Interconnect Loan #8313	90,791	0.00%
Broad Street Sanitary Sewer Improvements Loan #9075	1,023,976	0.50%
Water Meter Replacement Loan #9076	215,834	0.50%
Route 20 Waterline Replacement Loan #9510	189,371	0.23%
Ohio Public Works Commission Loans		
WWTP Improvement Loan #CT23O	267,791	0.00%
North Street Embankment Repair Loan #CT23P	40,257	0.00%
North Street Reconstruction Loan #CI48Q	64,304	0.00%
River Road / Milan Street Resurfacing Loan #CI59W	13,767	0.00%
American Municipal Power - Electric BAN	1,090,000	1.00%
G.O. Water System Refunding Bonds, Series 2016	1,320,000	3.25%
Omega JV5 Loan	452,335	Various
Police Cruiser	17,763	3.89%
Building Loan	<u>2,254,952</u>	5.19%
Total	<u><u>\$10,592,953</u></u>	

The Ohio Water Development Authority (OWDA) loans relate to water and sewer line replacements, wastewater treatment plant rehabilitation and improvements, CSO regulator removal, storage tank rehabilitation projects, an emergency interconnect project, and a water meter replacement project. All OWDA loans are collateralized by water and sewer user fees and are repaid in semiannual installments. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The Ohio Public Works Commission (OPWC) loans relate to wastewater treatment plant improvements, a North Street embankment repair project, a North Street reconstruction project and River Road / Milan Street Resurfacing project. The loans are interest free and will be repaid through semiannual installments through year 2043.

The G.O. Water System Refunding, Series 2016 bonds were issued to refinance the Mortgage Revenue Bonds, which were related to the acquisition and construction improvements to the Village's water treatment plant, water storage facilities and water distribution and supply system. The bonds are scheduled to be repaid in semiannual installments over 25 years.

The American Municipal Power - Electric System Improvement BAN (AMP) relates to the final electrical distribution line upgrade and improvements to the Village's substation equipment. Principal payments are established annually by a motion and majority vote of Village Council.

The Omega JV5 loan relates to the purchase of Ohio Municipal Electronic Generation Agency Joint Venture (OMEGA JV5). OMEGA JV5 is a distributive generation project. An amortization schedule for the repayment of the loan is currently not available due to fluctuating principal payments and, therefore, is not included in the schedule below.

The building loan relates to a loan obtained for the construction of a municipal complex completed during 2021. The loan does not have an amortization schedule and is therefore not included in the schedule below.

The police cruiser loan relates to a loan obtained for the purchase of the police cruiser. The loan will be repaid through monthly payments of \$1,216, including interest, through 2023.

Amortization

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	Police Loan Cruiser	OWDA Loans	OPWC Loans	General Obligation Bonds	AMP BAN
2022	\$14,586	\$407,422	\$21,285	\$92,900	\$1,100,900
2023	3,647	431,236	21,667	91,275	
2024		411,801	21,667	89,650	
2025		385,647	21,667	93,025	
2026		375,980	21,667	91,237	
2027-2031		1,831,568	108,336	453,400	
2032-2036		1,203,414	86,191	451,400	
2037-2041		795,009	64,954	451,844	
2042-2046		264,231	18,685		
Total	<u>\$18,233</u>	<u>\$6,106,308</u>	<u>\$386,119</u>	<u>\$1,814,731</u>	<u>\$1,100,900</u>

Note 12 - Construction and Contractual Commitments

As of December 31, 2021 the Village has a remaining contractual commitment in the amount of \$413,392 for the completion of the Route 20 Waterline Improvement Project.

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 13 - Contingent Liabilities

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

Note 14 - Joint Ventures

OMEGA JV2 (36 Members): OMEGA JV2 owns 138.65 MW of distributed generation, consisting of two 32 MW gas-fired turbines, one 11 MW gas-fired turbine and thirty-four 1.825 MW diesel generators. AMP is responsible for the operation of the JV2 Project. As of December 31, 2021, \$943,870 principal amount of JV2 Obligations was outstanding and held on the Line of Credit. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 202, Village has met its debt coverage obligation. Complete financial statements for OMEGA JV2 can be obtained from AMP at 1111 Schrock Road, Columbus, Ohio 43229, or from the State Auditor's website at www.ohioauditor.gov.

OMEGA JV5 (42 Members): In 1993, OMEGA JV5 assigned to a trustee the obligations of its participants to make payments for their respective ownership shares in the "Belleville Project," a 42 MW run-of-the-river hydroelectric generating facility on an Army Corps dam near Parkersburg, West Virginia, an associated transmission line in Ohio and backup diesel generation owned by OMEGA JV5. AMP is responsible for operation of the Belleville Project. The hydroelectric generation associated with the Belleville Project has been operational since June 1999. The Federal Energy Regulatory Commission license for the Belleville Project runs through August 31, 2039. As of June, 2021, \$41,221.103 of the 2001 Belleville Beneficial Interest Certificates ("*2001 BICs*") with a final maturity of 2030 was outstanding. The 2001 BICs are capital appreciation bonds with a final aggregate maturity amount of \$56,125,000. In addition, on February 15, 2014, AMP redeemed \$70,990,000 of the 2004 Belleville Beneficial Interest Certificates with the proceeds of a draw on the Line of Credit, which draw was evidenced by the proceeds of a note (*the "JV5 Note"*). On January 29, 2016, OMEGA JV5 caused the issuance of \$49,745,000 Belleville Beneficial Interest Refunding Certificates, Series 2016 (*the "2016 BICs"*) to pay a portion of the outstanding balance of the JV5 Note and to pay costs of issuance. The balance of the JV5 Note has since been retired. The 2016 BICs bear interest at a variable rate, mature on February 1, 2024 and are subject to redemption and mandatory tender at the option of the holder commencing February 15, 2021. The balance has since been retired. The 2001 BICs and 2016 BICs are non-recourse to AMP. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 2021, Village has met its debt coverage obligation. Complete financial statements for OMEGA JV5 can be obtained from AMP at 1111 Schrock Road, Columbus, Ohio 43229, or from the State Auditor's website at www.ohioauditor.gov.

OMEGA JV6 (10 Members): OMEGA JV6 owns four 1.8 MW wind turbines located in Bowling Green, Ohio. AMP is responsible for the operation of the N6 assets. OMEGA JV6 has no debt outstanding. Complete financial statements for OMEGA JV6 can be obtained from AMP at 1111 Schrock Road, Columbus, Ohio 43229, or from the State Auditor's website at www.ohioauditor.gov.

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 15 - Electric Operating Fund AMP Projects Participation

Prairie State Energy Campus (68 Members): On December 20, 2007, AMP acquired a 23.26% undivided ownership interest (the "*PSEC Ownership Interest*") in the Prairie State Energy Campus ("*PSEC*"), a two unit, supercritical coal-fired power plant designed to have a net rated capacity of approximately 1,582 MW and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company ("*AMP 368 LLC*"). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007. Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012.

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the "*Initial Prairie State Bonds*") to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. In 2015, 2017 and 2019, AMP issued bonds (the "*Prairie State Refunding Bonds*" and, together with the Initial Prairie State Bonds, the "*Prairie State Bonds*") to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009, certain of callable outstanding Initial Prairie State Bonds issued as Build America Bonds and certain of the bonds issued in 2015 to refund the Initial Prairie State Bonds. As of December 31, 2021, AMP had \$1,413,165,000 aggregate principal amount of Prairie State Bonds.

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the "*Prairie State Power Sales Contract*") with 68 Members (the "*Prairie State Participants*"). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract.

AMP Fremont Energy Center (86 Members). On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation ("*FirstEnergy*") the Fremont Energy Center ("*AFEC*"), a combined cycle, natural gas fueled electric generating plant, then nearing completion of construction and located in Fremont, Sandusky County, Ohio. Following completion of the commissioning and testing, AMP declared AFEC to be in commercial operation as of January 20, 2012. AFEC has a capacity of 512 MW (unfired)/675 MW (fired) and consists of two combustion turbines, two heat recovery steam generators and one steam turbine and condenser.

AMP subsequently sold a 5.16% undivided ownership interest in AFEC to the Michigan Public Power Agency and entered into a power sales contract with the Central Virginia Electric Cooperative for the output associated with a 4.15% undivided ownership interest in AFEC. The output of AFEC associated with the remaining 90.69% undivided ownership interest (the "*90.69% Interest*") is sold to AMP Members pursuant to a take-or-pay power sales contract with 86 of its Members (the "*AFEC Power Sales Contract*").

In 2012, to provide permanent financing for the 90.69% Interest, AMP issued, in two series, \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the "*2012 AFEC Bonds*"), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. In 2017, AMP issued bonds (the "*AFEC Refunding Bonds*" and, together with the 2012 AFEC Bonds, the "*AFEC Bonds*") to refund a portion of the 2012 AFEC Bonds. As of December 31, 2021, \$405,280,000 aggregate principal amount of AFEC Bonds was outstanding.

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Combined Hydroelectric Projects (79 Members). AMP owns and operates three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the "*Combined Hydroelectric Projects*"), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects is in commercial operation and consists of run-of-the-river hydroelectric generating facilities on existing Army Corps dams and includes associated transmission facilities. AMP holds the licenses from FERC for the Combined Hydroelectric Projects.

To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued ten series of its Combined Hydroelectric Projects Revenue Bonds (the "*Combined Hydroelectric Bonds*"), in an original aggregate principal amount of \$2,142,071,461 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take or-pay power sales contract with 79 of its Members. As of December 31, 2021, \$2,119,182,647 aggregate principal amount of the Combined Hydroelectric Bonds and approximately \$4.2 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

Meldahl Hydroelectric Project (48 Members). AMP owns and, together with the City of Hamilton, Ohio, an AMP Member, developed and constructed a 108.8 MW, three-unit hydroelectric generation facility on the Captain Anthony Meldahl Locks and Dam, an existing Army Corps dam on the Ohio River, and related equipment and associated transmission facilities (the "*Meldahl Project*"). The Meldahl Project is operated by the City of Hamilton.

In order to finance the construction of the Meldahl Project and related costs, AMP issued seven series of its Meldahl Hydroelectric Project Revenue Bonds ("*Meldahl Bonds*") in an original aggregate principal amount of \$820,185,000 consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Meldahl Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 48 of its Members. As of December 31, 2021, \$665,050,000 aggregate principal amount of the Meldahl Bonds were outstanding under the indenture securing the Meldahl Bonds.

On August 14, 2017, AMP filed a lawsuit in the U.S. District Court for the Southern District of Ohio against Voith Hydro, Inc. ("*Voith*"), which was the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Projects and the Meldahl Project. In the lawsuit, AMP alleges, among other things that Voith failed to deliver equipment on a timely basis and that certain of the equipment delivered was materially defective, causing significant delays. AMP has alleged proven damages of at least \$40 million. On October 16, 2017, Voith filed its answer, denying each of AMP's claims, and asserting two counterclaims seeking the payment of amounts it claims are due under the contract, amounts currently held by AMP as purported liquidated damages and \$40 million in damages, plus interest and legal fees. On December 1, 2017, AMP filed its answer to the Voith counterclaims, denying all liability to Voith.

As part of the initial disclosures, AMP listed 70 potential witnesses and \$90 million in gross damages, while Voith listed over 100 potential witnesses and \$65 million in gross damages. A scheduling order has been established which provides for the conclusion of discovery in April 2021, but no trial date has been set.

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Greenup Hydroelectric Project (47 Members). In connection with the development of the Meldahl Project, Hamilton agreed to sell and AMP agreed to purchase a 48.6% undivided ownership interest (the "*AMP Interest*") in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the "*2016 Greenup Bonds*") and, with a portion of the proceeds thereof, acquired the AMP Interest. The 2016 Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (with the exception of Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of December 31, 2021, \$120,600,000 aggregate principal amount of the 2016 Greenup Bonds were outstanding under the indenture securing the 2016 Greenup Bonds were outstanding under the indenture securing the Greenup Bonds.

Napoleon Solar Project (3 Members). AMP owns the Napoleon Solar Project, a 3.54 MW solar installation, located in Napoleon, Ohio. The Napoleon Solar Project entered commercial operation in August 2012. The output of the Napoleon Solar Project is sold pursuant to the terms of a take-or-pay power sales contract with three of AMP's Members. The cost of the Napoleon Solar Project was financed with the proceeds of a draw on the Line of Credit. As of December 31, 2021, \$3,642,990 on AMP's Line of Credit was allocable to the financing or refinancing of costs related to the Napoleon Solar Project.

Solar Electricity Prepayment Project (22 Members). In 2016, AMP entered into the NextEra PPA pursuant to the terms of which AMP agreed to purchase and a subsidiary of NextEra agreed to sell all of the power and energy generated by solar generation facilities (each, a "System"), each of which is located behind the meter of an AMP Member's Electric System. Under the terms of the NextEra PPA, AMP is required to prepay for twenty-five years of energy to be generated by each System at a "P90" confidence interval, meaning that, in any given year, the probability of exceeding such level of production is ninety percent (90%), and assuming a 0.5% degradation factor. Sixteen Systems with a rated capacity of approximately 58.325 MW have entered commercial operation. AMP has issued two series of Bonds consisting of the Series 2019A and 2020A in the amount of \$80,675,000 to provide financing for the project. As of December 31, 2021, approximately \$77,605,000 of Bonds and an additional \$7.09 million aggregate principal amount of subordinate obligations on AMP's Line of Credit was outstanding.

AMPGS (81 Members). Until November 2009, AMP had been developing a 960 MW twin unit, supercritical boiler, coal-fired, steam and electric generating facility, to be known as the American Municipal Power Generating Station ("*AMPGS*"), in Meigs County, in southeastern Ohio, on the Ohio River. AMP had planned for AMPGS to enter commercial operation in 2014 at a total capital cost of approximately \$3 billion. In the fourth quarter of 2009, however, the estimated capital costs increased by 37% and Bechtel Power Corporation ("*Bechtel*"), the EPC (engineer, procure and construct) contractor, would not guarantee that the costs would not continue to escalate. As a result of the estimated cost increases and prior to the commencement of major construction at the project site, the 81 AMP Members that had subscribed for capacity from AMPGS ("*AMPGS Participants*") voted to cease development of AMPGS as a coal fired project.

In August 2016, AMP and Bechtel engaged in court-ordered mediation to resolve disputes raised in litigation relating to the cancellation of the AMPGS Project. Following the mediation, AMP and Bechtel reached a comprehensive settlement which resolved all claims. The terms of such settlement are confidential.

As of December 31, 2021, \$4,800,609 on AMP's Line of Credit was allocable to the stranded costs recoverable from the AMPGS Participants and \$37,498,829 on AMP's Line of Credit was allocable to plant held for future use.

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 16 - Jointly Governed Organizations

Huron River Joint Fire District

The Village is a member of Huron River Joint Fire District (the District). A four-member Board of Trustees governs the District, with each member of the District appointing on board member. The member subdivisions are the Village of Monroeville, Peru Township, Ridgefield Township, and Sherman Township, all of which are located in Huron County. The District provides fire protection and rescue services within the District and by contract to areas outside of the District. Financial information can be obtained by contacting the District Fiscal Officer at 155 Monroe Street, Monroeville, Ohio 44847.

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2021, the Village paid RITA \$18,766 for income tax collection services.

Note 17 - Fund Balances

The fund balance of Special Revenue funds is either restricted or committed. The fund balance of Debt Service funds and Capital Projects Fund are restricted, committed, or assigned. The Village did not have any outstanding encumbrances at December 31, 2021.

Note 18 - Subsequent Events

The Village incurred a new Ohio Water Development Authority loan for a project that was started in 2021 but remained unfinished as of December 31, 2021 for the amount of \$484,935.

On April 21, 2022 in the AMP Ohio BAN rolled over in the amount of \$940,000 with a 2.15% interest rate.

Note 19 - AMP Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures as described in Note 14. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village's Electric Operating Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. Summary financial information for the Electric Operating Fund is presented below:

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

	2021
Total Fund Cash Balance	\$1,813,932
Total Long-Term Debt	\$1,542,335
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	\$4,084,059
Other Operating Receipts	33,287
Total Operating Receipts	4,117,346
 Operating Expenses	
Personal Services	191,067
Employee Fringe Benefits	53,961
Contractual Services	3,614,900
Supplies and Materials	64,178
Total Operating Expenses	3,924,106
 Operating Income	193,240
 Nonoperating Receipts (Disbursements)	
Property and Other Local Taxes	11,529
Sale of Notes	1,090,000
Principal Payments	(1,301,896)
Interest Payments	(24,712)
Other Nonoperating Receipts (Disbursements)	(85,786)
Transfers	133,649
Change in Fund Cash Balance	16,024
Beginning Fund Cash Balance	1,797,908
Ending Fund Cash Balance	\$1,813,932
 Condensed Cash Flows Information:	
	2021
Net Cash Provided by:	
Operating Activities	\$193,240
 Noncapital Financing Activities	
Other Noncapital Financing Activities	133,649
 Capital and Related Financing Activities	
Proceeds of Capital and Related Debt	1,090,000
Principal Payments on Capital and Related Debt	(1,301,896)
Interest Payments on Capital and Related Debt	(24,712)
Other Capital and Related Financing Activities	(74,257)
Net Cash Used by Capital and Related Financing Activities	(310,865)
 Net Increase	16,024
Beginning Fund Cash Balance	1,797,908
Ending Fund Cash Balance	\$1,813,932

Village of Monroeville
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 20 - COVID-19

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

Note 21 - Miscellaneous Receipts

General Fund miscellaneous receipts consisted primarily of a reimbursement from Croghan Colonial Bank.

Note 22 - Compliance

Contrary to Ohio law, the Village posted proceeds from the sale of a permanent improvement in the General Fund.



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

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

Village of Monroeville
Huron County
21 North Main Street
P.O. Box 156
Monroeville, Ohio 44847-0156

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statements of the Village of Monroeville, Huron County, Ohio (the Village), and have issued our report thereon dated December 21, 2022, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2021-001 and 2021-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2021-002.

Village's Responses to Findings

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2022

**VILLAGE OF MONROEVILLE
HURON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021**

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

FINDING NUMBER 2021-001

Material Weakness - Financial Reporting

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

The following errors were identified in the accompanying financial statements and notes to the financial statements:

- Custodial Fund Type activity was omitted from the annual report's Statement of Additions, Deductions, and Change in Fund Balance (Regulatory Cash Basis) - Fiduciary Fund Type filed in the Hinkle System. January 1 fund cash balance and December 31 fund cash balance have been updated to reflect actual 2021 balances in the amount of \$4,199;
- Capital Projects Fund Type transfers in receipts in the amount of \$137,840 were incorrectly classified as sale of capital assets receipts; and
- The Debt note to the financial statements omitted the December 31, 2021 Building Loan balance in the amount of \$2,254,952.

These errors were not identified and corrected prior to the Village preparing its financial statements and notes to the financial statements due to deficiencies in the Village's internal controls over financial statement monitoring. The failure to adequately monitor financial statements and notes to the financial statements could allow for misstatements to occur and go undetected. The accompanying financial statements and notes to the financial statements have been adjusted to reflect these changes. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$5,316 to \$26,422 that we have brought to the Village's attention.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate and to help identify and correct errors and omissions, the Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Village Council.

Officials' Response:

The errors noted above were due to oversight in the accounting for Custodial Fund Type activity and inadvertent errors and omissions when compiling the Village's annual financial statements and notes. The Fiscal Officer and staff will work harder to ensure such errors do not occur in subsequent reporting years.

FINDING NUMBER 2021-002

Noncompliance Citation and Material Weakness

Ohio Rev. Code § 5705.10(F) requires revenue received from the sale of a permanent improvement to be paid into the sinking fund, the bond retirement fund, or a special fund for the construction or acquisition of permanent improvements. **Ohio Rev. Code § 5705.01(E)** defines "permanent improvement" or "improvement" to mean "any property, asset, or improvement with an estimated life or usefulness of five years or more, including land and interests therein, and reconstructions, enlargements, and extensions thereof having an estimated life or usefulness of five years or more."

The Village inappropriately recorded \$37,500 of proceeds from the sale of the Village's old municipal building in the General Fund. Given the source of the revenue, this should have been recorded in the Municipal Building Fund. Audit adjustments are reflected in the financial statements and in the accounting records correcting the misstatement.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

Officials' Response:

The proceeds of the sale of the Village's former municipal building were recorded into the wrong fund. This error was adjusted on December 16, 2022 to correct the misstatement. The Fiscal Officer and staff will work harder to ensure such errors do not occur in subsequent reporting years.



Village of Monroeville
 21 North Main Street ~ P.O. Box 156
 Monroeville, Ohio 44847

Ph 419-465-2922 ~ Ph 419-465-4443 ~ Fax 419-465-2259

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 DECEMBER 31, 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Material weakness for errors in financial reporting initially reported as finding 2016-001.	Not corrected and reissued as finding 2021-001.	This matter was not corrected due to oversight in the accounting for Custodial Fund Type activity and inadvertent errors and omissions when compiling the Village's annual financial statements and notes. The Fiscal Officer and staff will work harder to ensure such errors do not occur in subsequent reporting years.
2020-002	Ohio Rev. Code § 5705.10(I) for a deficit General Fund balance.	Fully corrected.	

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF MONROEVILLE

HURON 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 1/3/2023

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