

VILLAGE OF WEST MANCHESTER

PREBLE COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2021 & 2020**

OHIO AUDITOR OF STATE
KEITH FABER



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Members of the Village Council
Village of West Manchester
PO Box 168
West Manchester, OH 45382

We have reviewed the *Independent Auditor's Report* of the Village of West Manchester, Preble County, prepared by Julian & Grube, Inc., for the audit period January 1, 2020 through December 31, 2021. 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 West Manchester 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 13, 2023

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**VILLAGE OF WEST MANCHESTER
PREBLE COUNTY, OHIO**

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Independent Auditor's Report

Village of West Manchester
Preble County
200 Scott Street
West Manchester, OH 45382

To the Members of the Village Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type of the Village of West Manchester, Preble County, Ohio, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

Unmodified Opinions 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 of the Village of West Manchester, as of and for the years ended December 31, 2021 and 2020 in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as 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 referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of West Manchester, as of December 31, 2021 and 2020, or changes in net position and cash flows, thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of West Manchester and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village of West Manchester 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 a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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.

Though the Village of West Manchester does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Our opinions on this accounting basis are in the "Unmodified Opinions on Regulatory Basis of Accounting" paragraph above.

Emphasis of Matters

As described in Note 14 to the financial statements, the financial impact of COVID-19 and the emergency measures may impact subsequent periods. Additionally, as described in Note 15 to the financial statements for the year ended December 31, 2020, the Village of West Manchester adopted a change in accounting principles and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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 misstatements, 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 of West Manchester'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 generally accepted auditing standards and *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 generally accepted auditing standards 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 of West Manchester'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 of West Manchester'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 17, 2023 on our consideration of the Village of West Manchester's internal control over financial reporting and on 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 of West Manchester'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 of West Manchester's internal control over financial reporting and compliance.



Julian & Grube, Inc.
May 17, 2023

Village of West Manchester
Preble 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	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$ 14,415	\$ 8,940	\$ -	\$ 23,355
Intergovernmental	81,940	82,543	-	164,483
Special Assessments	-	6,579	-	6,579
Charges for Services	-	95,500	-	95,500
Fines, Licenses and Permits	2,158	-	-	2,158
Earnings on Investments	34	97	34	165
Miscellaneous	2,016	4,522	-	6,538
<i>Total Cash Receipts</i>	<u>100,563</u>	<u>198,181</u>	<u>34</u>	<u>298,778</u>
Cash Disbursements				
Current:				
Security of Persons and Property	-	62,492	-	62,492
Leisure Time Activities	6,757	-	-	6,757
Transportation	8,542	16,130	-	24,672
General Government	44,650	-	-	44,650
Capital Outlay	69,747	80,567	-	150,314
Debt Service:				
Principal Retirement	-	-	22,914	22,914
Interest and Fiscal Charges	-	-	1,086	1,086
<i>Total Cash Disbursements</i>	<u>129,696</u>	<u>159,189</u>	<u>24,000</u>	<u>312,885</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(29,133)</u>	<u>38,992</u>	<u>(23,966)</u>	<u>(14,107)</u>
Other Financing Receipts (Disbursements)				
Loans Issued	-	29,688	-	29,688
Transfers In	-	-	24,000	24,000
Transfers Out	-	(24,000)	-	(24,000)
Advances In	9,600	-	-	9,600
Advances Out	-	(6,000)	-	(6,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>9,600</u>	<u>(312)</u>	<u>24,000</u>	<u>33,288</u>
<i>Net Change in Fund Cash Balances</i>	(19,533)	38,680	34	19,181
<i>Fund Cash Balances, January 1</i>	<u>43,850</u>	<u>70,483</u>	<u>12,405</u>	<u>126,738</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 24,317</u>	<u>\$ 109,163</u>	<u>\$ 12,439</u>	<u>\$ 145,919</u>

See accompanying notes to the financial statements

Village of West Manchester
Preble 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	\$ 281,138
Miscellaneous	2,700
<i>Total Operating Cash Receipts</i>	283,838
Operating Cash Disbursements	
Personal Services	64,950
Contractual Services	88,814
Supplies and Materials	6,663
Other	7,655
<i>Total Operating Cash Disbursements</i>	168,082
<i>Operating Income (Loss)</i>	115,756
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	59,375
Earnings on Investments (proprietary funds only)	175
Loans Issued	59,375
Capital Outlay	(156,710)
Principal Retirement	(33,431)
Interest and Other Fiscal Charges	(47,388)
<i>Total Non-Operating Receipts (Disbursements)</i>	(118,604)
<i>Income (Loss) before Transfers and Advances</i>	(2,848)
Transfers In	81,204
Transfers Out	(81,204)
Advances Out	(3,600)
<i>Net Change in Fund Cash Balances</i>	(6,448)
<i>Fund Cash Balances, January 1</i>	258,235
<i>Fund Cash Balances, December 31</i>	\$ 251,787

See accompanying notes to the financial statements

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of West Manchester (the Village), Preble County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water, sewer utilities, and trash utilities, as well as park operations. The Village also provides a local, volunteer fire department. The Village contracts with the Preble County Sheriff's department to provide security of persons and property. The Village contracts with Monroe Township to receive emergency medical services.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fire Fund The fire fund receives money from contracts with local village and township fire districts to provide for the protection of area citizens.

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

Fire Truck Reserve Fund The fire truck reserve fund receives transfers from the fire fund and excess fire contract monies set aside for the purchase of a fire truck. The also accounts for the payments made on the fire truck loan.

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

Water Fund The water fund receives charges for services from residents to cover the cost of providing this utility. This fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund receives charges for services from residents to cover the cost of sewer services. This fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Sewer Sinking Fund The sewer sinking fund receives monthly transfers from the sewer fund to pay the loan payment at USDA for the sewer system.

Basis of Accounting

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

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

Budgetary Process

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

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

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2021 budgetary activity appears in Note 3.

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

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.

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

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

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

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

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

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

Note 3 – Budgetary Activity

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$120,000	\$110,163	(\$9,837)
Special Revenue	303,814	227,869	(75,945)
Capital Projects	24,050	24,034	(16)
Enterprise	590,471	483,967	(106,504)
Total	\$1,038,335	\$846,033	(\$192,302)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$120,061	\$129,771	(\$9,710)
Special Revenue	260,501	189,189	71,312
Capital Projects	24,000	24,000	0
Enterprise	571,101	493,597	77,504
Total	\$975,663	\$836,557	\$139,106

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 carrying amount of deposit and investment accounts at December 31, 2021 are as follows:

	2021
Demand deposits	\$ 210,700
Other time deposits (savings and NOW accounts)	187,006
Total deposits	\$ 397,706

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Deposits

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

Note 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.

Note 6 – Interfund Balances

Outstanding advances at December 31, 2021, consisted of \$19,590 and \$2,494 advanced to Street and Water funds, respectively, from the General fund to provide working capital for operations and/or projects.

Note 7 – Risk Management

Workers' Compensation

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

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Employment practices
- Liability of public officials
- Vehicles

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 postemployment 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.

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.

Note 9 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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.

Note 10 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
LCNB Loan-Fire Truck	\$16,091	3.75%
OPWC Loan CK08C	\$20,762	0.00%
OWDA Loan 4499	\$25,788	3.92%
USDA-Sewer Plant Loan 92-05	\$885,890	4.25%
USDA-Sewer Plant Loan 92-03	\$179,200	4.25%
OPWC Loan CT59W	\$89,063	0.00%
Total	<u>\$1,216,794</u>	

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The LCNB Loan relates to the purchase of a fire truck. The loan is to be repaid in monthly installments, including interest at 3.75%, starting in 2013 for a period of 10 years ending in 2022. This loan will be repaid from the Fire Truck Reserve Fund.

The OPWC Water Treatment Plant Loan (CK08C) relates to the water treatment plant improvements. The interest-free loan is to be repaid in semiannual installments of \$6,921 which started in 2003. This loan is for a period of 20 years, ending in July, 2022. This loan will be repaid from the Water Fund.

The OWDA Loan 4499 relates to the water line extension improvements. The loan is to be repaid in semiannual installments, including interest of 3.92%, for a period of 30 years, ending in 2037. This loan will be repaid from the Water Fund.

The Sewer System Mortgage Revenue Bonds (USDA Loan 92-03) relates to the sewer system improvements. The loan is to be repaid in annual installments, including interest at 4.25%, starting in 2006 for a period of 40 years; ending in 2045. This loan will be repaid from the Sewer Sinking Fund.

The Issuers Sewer System Bonds (USDA Loan 92-05) relates to the sewer system improvements. The loan is to be repaid in annual installments, including interest at 4.25%, starting in 2006 for a period of 40 years; ending in 2045. This loan will be repaid from the Sewer Sinking Fund.

The OPWC Water Meters and Main Street Improvements Loan (CT59W) relates to the installation of electronic water meters at every household in the Village and improvements to roads where water lines reside. The interest-free loan is to be repaid in semiannual installments of \$1,484 starting in 2022. This loan is for a period of 30 years, ending in 2052. This loan will be repaid from the Water Fund and the Street Fund.

Amortization

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

Year Ending December 31:	OPWC Loan CK08C	OPWC Loan CT59W	OWDA Loan 4499	USDA Loan 92-05	USDA Loan 92-03	LCNB Loan
2022	\$20,762	\$1,484	\$2,236	\$59,590	\$12,056	\$16,324
2023		2,969	2,236	59,608	12,047	
2024		2,969	2,236	59,595	12,081	
2025		2,969	2,236	59,601	12,056	
2026		2,969	2,235	59,594	12,052	
2027-2031		14,844	11,179	298,008	60,298	
2032-2036		14,844	11,179	297,992	60,311	
2037-2041		14,844	1,118	298,002	60,285	
2042-2046		14,844		238,398	48,232	
2047-2051		14,844				
2052		1,483				
Total	\$20,762	\$89,063	\$34,655	\$1,430,388	\$289,418	\$16,324

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 11 – Contingent Liabilities

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

Note 12 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 13 – 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. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At December 31, 2021, the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$75	\$0	\$0	\$75
<i>Total</i>	<i>\$75</i>	<i>\$0</i>	<i>\$0</i>	<i>\$75</i>

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

Note 14 – 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 ended April 2023. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the emergency measures may impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 15 – Compliance

The Village was in noncompliance with Ohio Revised Code Sections 9.38 for various instances of untimely deposits, 5705.38(C) for the not approving appropriation amendments at the legal level of budgetary control, 5705.41(D) for not timely certifying purchase orders prior to invoices, 117.38 for not submitting its annual financial report to the Auditor of State in the timely manner, 5705.41(B) for having disbursements and outstanding encumbrances exceed appropriations and prior year encumbrances, 5705.40 for not properly modifying its annual appropriation measures throughout the year ended December 31, 2021, 5705.10 for carrying an unallowable negative fund balance, and 5705.42 for not reporting all financial activities related to the OPWC grants and loans received and disbursed on an on-behalf basis for the year ended December 31, 2021. Additionally, the Village is in noncompliance with Ohio Administrative Code Sections OAC 117-2-02(C)(1) for system appropriations not agreeing with appropriations approved by Village Council, and 117-2-03(C) for not presenting its annual financial reports submitted to the Auditor of State in accordance with the regulatory cash basis of accounting.

Note 16 – Subsequent Events

In July 2022, the Village refinanced the refinanced the USDA Loans 92-03 and 92-05 with the Ohio Water Development Authority in the amounts of \$186,005 and \$919,527. Payments on these loans will begin in July 2023, each loan will carry an interest rate of 3.47%, and each loan will be fully retired in July 2045.

Village of West Manchester
Preble County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$ 13,359	\$ 8,040	\$ -	\$ 21,399
Intergovernmental	26,632	104,687	-	131,319
Special Assessments	1,608	6,992	-	8,600
Charges for Services	-	95,500	-	95,500
Fines, Licenses and Permits	2,264	-	-	2,264
Earnings on Investments	50	156	52	258
Miscellaneous	2,491	16,700	-	19,191
<i>Total Cash Receipts</i>	<u>46,404</u>	<u>232,075</u>	<u>52</u>	<u>278,531</u>
Cash Disbursements				
Current:				
Security of Persons and Property	-	83,597	-	83,597
Community Environment	1,424	-	-	1,424
Transportation	8,294	25,732	-	34,026
General Government	30,709	35,164	-	65,873
Capital Outlay	5,065	16,340	-	21,405
Debt Service:				
Principal Retirement	-	-	22,055	22,055
Interest and Fiscal Charges	-	-	1,945	1,945
<i>Total Cash Disbursements</i>	<u>45,492</u>	<u>160,833</u>	<u>24,000</u>	<u>230,325</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>912</u>	<u>71,242</u>	<u>(23,948)</u>	<u>48,206</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	-	24,000	24,000
Transfers Out	-	(24,000)	-	(24,000)
Advances In	9,600	-	-	9,600
Advances Out	-	(6,000)	-	(6,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>9,600</u>	<u>(30,000)</u>	<u>24,000</u>	<u>3,600</u>
<i>Net Change in Fund Cash Balances</i>	10,512	41,242	52	51,806
<i>Fund Cash Balances, January 1</i>	<u>33,338</u>	<u>29,241</u>	<u>12,353</u>	<u>74,932</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 43,850</u>	<u>\$ 70,483</u>	<u>\$ 12,405</u>	<u>\$ 126,738</u>

See accompanying notes to the financial statements

Village of West Manchester
Preble County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2020

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 288,502
Miscellaneous	3,760
<i>Total Operating Cash Receipts</i>	<i>292,262</i>
Operating Cash Disbursements	
Personal Services	65,055
Contractual Services	103,376
Supplies and Materials	4,076
Other	9,226
<i>Total Operating Cash Disbursements</i>	<i>181,733</i>
<i>Operating Income (Loss)</i>	<i>110,529</i>
Non-Operating Receipts (Disbursements)	
Earnings on Investments (proprietary funds only)	271
Capital Outlay	(11,652)
Principal Retirement	(31,779)
Interest and Other Fiscal Charges	(47,914)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(91,074)</i>
<i>Income (Loss) before Transfers and Advances</i>	<i>19,455</i>
Transfers In	50,400
Transfers Out	(50,400)
Advances Out	(3,600)
<i>Net Change in Fund Cash Balances</i>	<i>15,855</i>
<i>Fund Cash Balances, January 1</i>	<i>242,380</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 258,235</i>

See accompanying notes to the financial statements

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The Village of West Manchester (the Village), Preble County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water, sewer utilities, and trash utilities, as well as park operations. The Village also provides a local, volunteer fire department. The Village contracts with the Preble County Sheriff's department to provide security of persons and property. The Village contracts with Monroe Township to receive emergency medical services.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fire Fund The fire fund receives money from contracts with local village and township fire districts to provide for the protection of area citizens.

Cares Act Fund The cares act fund receives money from the federal government to be used for the relief of the financial impact from the COVID-19 pandemic.

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

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Fire Truck Reserve Fund The fire truck reserve fund receives transfers from the fire fund and excess fire contract monies set aside for the purchase of a fire truck. The also accounts for the payments made on the fire truck loan.

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

Water Fund The water fund receives charges for services from residents to cover the cost of providing this utility. This fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund receives charges for services from residents to cover the cost of sewer services. This fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Sewer Sinking Fund The sewer sinking fund receives monthly transfers from the sewer fund to pay the loan payment at USDA for the sewer system.

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2020 budgetary activity appears in Note 3.

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

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.

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

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

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

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

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$62,000	\$56,004	(\$5,996)
Special Revenue	236,078	232,075	(4,003)
Capital Projects	24,100	24,052	(48)
Enterprise	362,850	342,933	(19,917)
Total	\$685,028	\$655,064	(\$29,964)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$77,577	\$45,553	\$32,024
Special Revenue	198,636	192,858	5,778
Capital Projects	24,000	24,000	0
Enterprise	346,751	331,428	15,323
Total	\$646,964	\$593,839	\$53,125

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 carrying amount of deposit and investment accounts at December 31, 2020 are as follows:

	2020
Demand deposits	\$ 198,832
Other time deposits (savings and NOW accounts)	186,141
Total deposits	\$ 384,973

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Deposits

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

Note 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.

Note 6 – Interfund Balances

Outstanding advances at December 31, 2020, consisted of \$25,590 and \$6,094 advanced to Street and Water funds, respectively, from the General fund to provide working capital for operations and/or projects.

Note 7 – Risk Management

Workers' Compensation

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

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Employment practices
- Liability of public officials
- Vehicles

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 postemployment 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, 2020.

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, 2020.

Note 9 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020.

Note 10 – Debt

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
LCNB Loan-Fire Truck	\$39,005	3.75%
OPWC Loan CK08C	\$27,683	0.00%
OWDA Loan 4499	\$26,978	3.92%
USDA-Sewer Plant Loan 92-05	\$906,950	4.25%
USDA-Sewer Plant Loan 92-03	\$183,460	4.25%
Total	<u>\$1,184,076</u>	

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The LCNB Loan relates to the purchase of a fire truck. The loan is to be repaid in monthly installments, including interest at 3.75%, starting in 2013 for a period of 10 years ending in 2022. This loan will be repaid from the Fire Truck Reserve Fund.

The OPWC Water Treatment Plant Loan (CK08C) relates to the water treatment plant improvements. The interest-free loan is to be repaid in semiannual installments of \$6,921 which started in 2003. This loan is for a period of 20 years, ending in July 2022. This loan will be repaid from the Water Fund. Due to the COVID-19 pandemic, only one installment was paid during 2020.

The OWDA Loan 4499 relates to the water line extension improvements. The loan is to be repaid in semiannual installments, including interest of 3.92%, for a period of 30 years, ending in 2037. This loan will be repaid from the Water Fund.

The Sewer System Mortgage Revenue Bonds (USDA Loan 92-03) relates to the sewer system improvements. The loan is to be repaid in annual installments, including interest at 4.25%, starting in 2006 for a period of 40 years; ending in 2045. This loan will be repaid from the Sewer Sinking Fund.

The Issuers Sewer System Bonds (USDA Loan 92-05) relates to the sewer system improvements. The loan is to be repaid in annual installments, including interest at 4.25%, starting in 2006 for a period of 40 years; ending in 2045. This loan will be repaid from the Sewer Sinking Fund.

Amortization

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

Year Ending December 31:	OPWC Loan CK08C	OWDA Loan 4499	USDA Loan 92-05	USDA Loan 92-03	LCNB Loan
2021	\$6,921	\$2,236	\$59,605	\$12,057	\$24,000
2022	20,762	2,236	59,590	12,056	16,324
2023		2,236	59,608	12,047	
2024		2,236	59,595	12,081	
2025		2,236	59,601	12,056	
2026-2030		11,179	297,996	60,302	
2031-2035		11,179	297,997	60,294	
2036-2040		3,352	298,006	60,296	
2041-2045			297,996	60,286	
Total	<u>\$27,683</u>	<u>\$36,890</u>	<u>\$1,489,994</u>	<u>\$301,475</u>	<u>\$40,324</u>

Note 11 – Contingent Liabilities

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

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 12 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 13 – 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. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At December 31, 2020, the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$61	\$2,025	\$0	\$2,086
<i>Total</i>	<i>\$61</i>	<i>\$2,025</i>	<i>\$0</i>	<i>\$2,086</i>

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

Note 14 – 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 ended April 2023. During 2020, the Village received COVID-19 funding. The financial impact of COVID-19 and the emergency measures may impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

During 2020, the Village received CARES Act funding. Of the amounts received, zero dollars were subgranted to other governments or organizations. During 2020, the Village received zero dollars from any other governments in the form of a grant.

Village of West Manchester, Ohio
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 15 – Change in Accounting Principles

For 2020, the Village made a change to their cash basis reporting model. This change includes removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types. There was no effect on the beginning fund balances.

Note 16 – Compliance

The Village was in noncompliance with Ohio Revised Code Sections 9.38 for various instances of untimely deposits, 5705.38(C) for the not approving appropriation amendments at the legal level of budgetary control, 5705.41(D) for not timely certifying purchase orders prior to invoices, and 117.38 for not submitting its annual financial report to the Auditor of State in the timely manner. Additionally, the Village is in noncompliance with Ohio Administrative Code Sections OAC 117-2-02(C)(1) for system appropriations not agreeing with appropriations approved by Village Council, and 117-2-03(C) for not presenting its annual financial reports submitted to the Auditor of State in accordance with the regulatory cash basis of accounting.

Note 17 – Subsequent Events

In July 2022, the Village refinanced the refinanced the USDA Loans 92-03 and 92-05 with the Ohio Water Development Authority in the amounts of \$186,005 and \$919,527. Payments on these loans will begin in July 2023, each loan will carry an interest rate of 3.47%, and each loan will be fully retired in July 2045.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Village of West Manchester
Preble County
200 Scott Street
West Manchester, OH 45382

To the Members of the Village Council:

We have audited, in accordance with the 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 of the Village of West Manchester, Preble County, Ohio, as of and for the years ended December 31, 2021, and 2020 and the related notes to the financial statements and have issued our report thereon dated May 17, 2023, wherein we noted as described in Note 2 to the financial statements, the Village of West Manchester followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Furthermore, we noted as described in Note 14 to the financial statements, the financial impact of COVID-19 and the emergency measures may impact subsequent periods. Additionally, as described in Note 15 to the financial statements for the year ended December 31, 2020, the Village of West Manchester adopted a change in accounting principles and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

Report on Internal Control over Financial Reporting

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

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

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 of West Manchester's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2021-001 through 2021-009 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2021-010 to be a significant deficiency.

Village of West Manchester

Preble County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of West Manchester'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2021-002 through 2021-010.

Village of West Manchester's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of West Manchester's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Village of West Manchester'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

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 of West Manchester'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 of West Manchester's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

May 17, 2023

**VILLAGE OF WEST MANCHESTER
PREBLE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2021-001

Material Weakness - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made.

Currently the Village utilizes Microsoft Excel spreadsheets to account for Village financial data and the information is not centralized into a robust accounting system. As the financial activity of the Village does not flow through a centralized accounting system, inconsistencies between the reports used to create the Village's financial statements existed and caused the need for various financial statement and note disclosure adjustments. Additionally, numerous adjustments were necessary to properly state the financial statements and note disclosures to account for financial activity improperly posted to various account balances and to account for improper financial statement presentation in accordance with the regulatory cash basis of accounting permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). The audited financial statements, note disclosures, and Village records have been adjusted for the misstatements identified during the audit.

A lack of proper policies and procedures for control and monitoring activities related to the financial statements limit management's ability to identify, prevent, detect, and correct potential misstatements in the financial statements and note disclosures. Additionally, management will not have the necessary information to make timely and well-informed business decisions.

We recommend the Village consider implementing an accounting software, such as the Uniform Accounting Network program offered by the Auditor of State for small local governments, to improve its efficiency and effectiveness with regard to its financial accountability. Additionally, we recommend the Village implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements and related notes prior to presenting them to the auditors. A second review of the monthly cash activity and financial statements by someone other than the individual preparing them would be beneficial. We also recommend that the Village review the adjustments noted during the audit and incorporate them into future reports.

Client Response: The Fiscal Officer will work to provide a sound fiscal environment for the Village and will consider implementing additional policies and procedures to assist with more accurate financial statement presentation.

**VILLAGE OF WEST MANCHESTER
PREBLE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2021-002

Material Weakness/Noncompliance – Purchase Order Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate from the fiscal officer affirming that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Furthermore, “Then” and “Now” certifications may be used if the fiscal officer can certify both at the time the contract or order was made and at the time that the fiscal officer is completing his or her certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance. For contracts and orders of \$3,000 or more, the Village Council has 30 days from the receipt of such a certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

The Village had disbursements that were not timely certified for the years ended December 31, 2021 and 2020, respectively.

By not adhering to proper budgeting activities and timely certifying amounts that have been properly appropriated and are available for spending, the Village may expend more funds than it has available which could produce unallowable negative fund balances or may pay for unnecessary and/or improper purchases.

We recommend that all orders or contracts involving the disbursements of money be timely certified to ensure all monies expended are lawfully appropriated and available in the Village’s treasury or are in the process of being collected. A policy and procedure statement adopted by the Council and distributed at least annually may be beneficial. The Village should also consider only using “Then” and “Now” certificates in limited circumstances and when deemed necessary.

Client Response: The Village is continually trying to improve its ordering and purchasing process to decrease its noncompliance percentage.

Finding Number	2021-003
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Material Weakness/Noncompliance – Legal Level of Control

Ohio Revised Code Section 5705.38(C) requires the following minimum level of budgetary control for “subdivisions” other than schools: “Appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services.”

For the years ended December 31, 2021 and 2020, while permanent appropriation measures were approved at the legal level of budgetary control, all amendments to the permanent appropriations were approved by Village Council at the fund level with no evidence showing these amendments were passed at the legal level of budgetary control.

By not appropriating at the legal level of budgetary control, Village Council and management are limited in their ability to appropriately monitor appropriations and spending.

**VILLAGE OF WEST MANCHESTER
PREBLE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2021-003 – (Continued)

We recommend the Council approve annual and subsequent appropriations at the appropriate legal level as required by the Ohio Revised Code. Adhering to these provisions will enable the Village Council and management to appropriately monitor spending and make well informed business decisions.

Client Response: The Fiscal Officer and Village Council will work to pass all appropriations and subsequent amendments at the minimum legal level of budgetary control.

Finding Number	2021-004
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Material Weakness/Noncompliance – System Appropriations

Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances.

For the years ended December 31, 2021 and 2020, the Village’s appropriations based upon the permanent appropriations and subsequent amendments approved by Village Council did not agree to the appropriations in the Village’s accounting software for various Village funds at both the fund level and the legal level of budgetary control.

By not correctly including appropriation activity approved by Village Council into the Village’s accounting software, it could become challenging for the Village Council and management to monitor its budgeted activity in comparison with its actual amounts. The Village is also at risk of appropriating in excess of available funds and spending in excess of Council approved appropriations, which could possibly result in unallowable negative fund balances.

We recommend that budgetary activity be incorporated into the Village’s accounting software by the Fiscal Officer in a timely manner. This will aid the Village Council and management in their review of available resources versus appropriations and help ensure appropriations are in place prior to disbursements.

Client Response: The Village will continue to attempt to modify budgetary activity into the Village’s accounting software in an accurate and timely manner.

Finding Number	2021-005
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Material Weakness/Noncompliance – Annual Financial Reports

Pursuant to Ohio Rev. Code Section 117.38 and Auditor of State Bulletin 2015-007, entities filing financial statements in accordance with a cash basis of accounting must file annual reports with the Auditor of State, via the Hinkle Annual Financial Data Reporting System within sixty days after the close of the fiscal year-end. Additionally, pursuant to Ohio Administrative Code 117-2-03(C), the Village should present the financial statements in accordance with the regulatory cash basis of accounting.

**VILLAGE OF WEST MANCHESTER
PREBLE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2021-005 – (Continued)

The Village’s filing for the year ended December 31, 2021 was initially completed July 14, 2022, which was past extended deadline of April 29, 2022. The Village’s filing for the year ended December 31, 2020 was initially completed February 28, 2021. As the financial statements were not included in either initial submission for both 2021 and 2020, the Village resubmitted its annual financial reports for the years ended December 31, 2021 and 2020 on November 14, 2022. It was also noted that with these resubmissions, the financial statements were not presented in accordance with the regulatory cash basis of accounting permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) as financial statements were not categorized by fund type as required by the Auditor of State, governmental fund disbursements were not categorized by functional classifications, and each submission contained unnecessary items.

Any public office not filing the report by the required date may be required to pay a penalty of \$25 for each day the report remains unfiled, not to exceed \$750. Additionally, by not presenting financial statements in accordance with the reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C), the Village is subject to various financial statement and note disclosure adjustments as noted in finding 2021-001.

We recommend the Village devise certain procedures, guidelines, and controls to ensure a draft copy of the financial statements are prepared at least one week prior to the filing deadline. We also recommend the Village review the Auditor of State Regulatory Basis Financial Statement templates and prepare their year end HINKLE submission in a similar format. These recommendation will ensure the filing deadline and presentation requirements are met and help facilitate an efficient and effective audit.

Client Response: The Village will attempt to present its annual financial reports in accordance with the reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) and submit these reports in a timely manner.

Finding Number	2021-006
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Material Weakness/Noncompliance – Timely Deposits

Ohio Revised Code Section 9.38 provides that public money must be deposited with the treasurer of the public office or with the designated depository on the business day following the day of receipt, if the total amount of such moneys received exceeds one thousand dollars. If the total amount of the public moneys received does not exceed one thousand dollars, the person shall deposit the moneys on the business day following the day of the receipt, unless the public office adopts a policy permitting a different time period, not to exceed three business days following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited. The policy shall include provisions and procedures to safeguard the public moneys until they are deposited.

Several instances were noted in which receipts were not deposited in a timely manner for the years ended December 31, 2021 and 2020.

By the Village not depositing its monies in a timely manner, not only is there risk of loss from burglary, misplacement, or misappropriation, but the cash is not available for expenditures or investment.

We recommend the Village monitor collections and ensure monies are deposited in accordance with state statute. This will reduce the risk of loss and improve cash flow.

Client Response: The Village will attempt to deposit monies with its financial institutions in a timely manner.

VILLAGE OF WEST MANCHESTER
PREBLE COUNTY, OHIO

SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021 AND 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2021-007

Material Weakness/Noncompliance – Ohio Public Works Commission

Ohio Rev. Code Section 5705.42 states when the United States government or the state or any department, division, agency, authority, or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, or enters into an agreement with the subdivision for the making of any such grant or loan of money, the amount thereof is deemed appropriated for such purpose by the taxing authority of the subdivision as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection within the meaning of section 5705.41 of the Revised Code. In addition, Auditor of State (AOS) Bulletin 2000-008 indicates that when a local government enters into an on-behalf-of program agreement with another local government or the state, whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

Furthermore, AOS Bulletin 2002-004 outlines the accounting requirements for the Ohio Public Works Commission (OPWC) grants and loans. The OPWC will make payments to the contractor(s) for its share based on invoices submitted by the Fiscal Officer or to the local government as a reimbursement. For payments made to the contractor, the state will notify the Fiscal Officer of the amount disbursed. Upon receipt of this notice, each local government shall record a receipt and expenditure in the appropriate governmental and/or enterprise capital projects fund equal to the amount disbursed by the OPWC.

For the year ended December 31, 2021, the Village entered into an agreement with the OPWC for a grant/loan. The Village did not record the payments made directly to contractors as part of the OPWC project. The Village failed to report \$73,155 in Intergovernmental receipts, \$89,063 in loan proceeds, and \$162,218 in Capital Outlay disbursements in the Street and Water funds for the Remote Water Meter Read System and Main Street Improvements project. As described in finding number 2021-001, the financial statements have been adjusted to properly report this activity.

The failure to record grant and loan activity results in understated receipts and disbursements on the financial statements and understated obligations in the financial statement notes.

To improve financial reporting, we recommend the Village establish procedures to account for all payments made directly to contractors to ensure that the financial statements reflect the receipts and disbursements for all grant and loan activity.

Client Response: The Village will work to include all on-behalf activity in its financial statements.

**VILLAGE OF WEST MANCHESTER
PREBLE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2021-008

Material Weakness/Noncompliance – Budgetary Disbursements Exceeding Appropriations

Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated.

The Village had disbursements plus outstanding encumbrances exceeding appropriations for the year ending December 31, 2021 in the following funds:

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Disbursements</u>	<u>Excess</u>
General Fund	120,061	129,771	9,710
<u>Special Revenue Fund Type:</u>			
Fire Fund	71,000	79,494	8,494
<u>Enterprise Fund Type:</u>			
Sewer Fund	135,364	137,135	1,771

This disclosure is presented at the fund level due to the practicality of disclosing at the legal level of control and due to supplemental appropriations being adopted at the fund level.

With disbursements exceeding appropriations, the Village is expending monies that have not been appropriated and approved by the Village Council. This may result in unnecessary purchases or overspending which may lead to a fund deficit.

We recommend the Village comply with the Ohio Revised Code by monitoring disbursements so they do not exceed lawful appropriations and amending the budget prior to year-end. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary, subsequent to the passage of permanent appropriations.

Client Response: The Village is actively seeking to resolve this.

Finding Number	2021-009
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Material Weakness/Noncompliance – Appropriation Amendments

Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section requires that any amendments to an appropriation measure be made by Council resolution and comply with the same provisions of the law as used in making the original appropriations.

The Village did not properly modify its appropriations throughout the year ended December 31, 2021. Due to not properly modifying appropriations, disbursements exceeded appropriations in several funds.

Additionally, as noted in finding 2021-003, the Village’s supplemental appropriations did not follow the appropriate legal level of control as adopted in the permanent appropriations.

**VILLAGE OF WEST MANCHESTER
PREBLE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2021-009 – (Continued)

By not timely and properly modifying the Village’s appropriations, the Village is not adequately monitoring appropriations versus disbursements. With disbursements exceeding appropriations, overspending may occur which may result in a negative fund balance. By not following the same legal level of control, the Village Council is unable to track spending at the appropriate level.

We recommend the Village comply with Ohio Revised Code by monitoring disbursements so they do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary, subsequent to the passage of permanent appropriations. Additionally, we recommend the Village specify in its ordinances and resolutions, any modifications of appropriations at the same legal level of permanent appropriations.

Client Response: The Village is aware of the requirement for Council approval and is currently implementing additional policies and procedures to have all supplemental appropriations properly approved prior to including in the Village accounting system.

Finding Number	2021-010
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Significant Deficiency/Noncompliance – Unallowable Negative Fund Balances

Ohio Revised Code Section 5705.10, in part requires that on a cash basis, no fund shall have a negative fund balance during the fiscal year or at fiscal year-end.

For the year ended December 31, 2021, the Water Fund carried a negative fund balance of \$26,698.

By having a negative fund balance, these funds have spent other funds’ balances. This could indicate insufficient monitoring of appropriations and related disbursements and continual review of fund balances.

We recommend the Village properly expend monies only after funds have been received and subsequent to proper appropriation. If funds are anticipated, but not yet received and disbursements are necessary, the Village should advance funds from the general fund with proper Council approval.

Client Response: The Village will work to monitor disbursement activity more closely in the future.

**VILLAGE OF WEST MANCHESTER
PREBLE COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2021 AND 2020**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2019-001	2007	<u>Material Weakness - Financial Statement Presentation</u> – Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Numerous audit adjustments were made to correct misstatements identified in the audit of the Village’s financial statements for the years ended December 31, 2019 and 2018.	Not Corrected	Finding repeated as 2021-001 as adjustments were necessary to properly state the Village’s activity.
2019-002	2018	<u>Material Weakness/Noncompliance</u> – The Village had appropriations in excess of estimated resources in the Fire Truck Reserve, Sewer Surcharge, and Refuse funds for the year ending December 31, 2018.	Corrective Action Taken and Finding Fully Corrected	N/A
2019-003	2018	<u>Material Weakness/Noncompliance</u> – During the year ended December 31, 2018, the Village did not request enough amended certificates throughout the year upon notice of increased or decreased resources, thus causing appropriations to exceed estimated resources.	Corrective Action Taken and Finding Fully Corrected	N/A
2019-004	2018	<u>Material Weakness/Noncompliance</u> – The Village had disbursements that were not timely certified for the years ended December 31, 2019 and 2018.	Not Corrected	Finding repeated as 2021-002 as the Village still had disbursements that were not timely certified in both 2021 and 2020.
2019-005	2001	<u>Material Weakness/Noncompliance</u> – The Village had disbursements exceeding appropriations for the General, State Highway, Fire, Sewer, Water Reserve, Short-lived Asset, and Utility Deposit Funds for the year ending December 31, 2018.	Not Corrected	Finding repeated as 2021-008 as the Village had disbursements exceeding appropriations for the General, Fire, and Sewer Funds.
2019-006	2001	<u>Material Weakness/Noncompliance</u> – The Village did not properly modify its appropriations throughout the years. Due to not properly modifying appropriations, disbursements exceeded appropriations in several funds for the year ending December 31, 2018. Additionally, the Village supplemental appropriations did not follow the appropriate legal level of control as adopted in the permanent appropriations.	Not Corrected	Finding repeated as 2021-009 as the Village did not properly modify its appropriations throughout the years.

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WEST MANCHESTER

PREBLE 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 6/27/2023

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

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www.ohioauditor.gov