Village of Killbuck
Holmes County
Regular Audit
For the Years Ended
December 31, 2024 and 2023



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Village Council Village of Killbuck 138 S. Main St. Killbuck, OH 44637

We have reviewed the *Independent Auditor's Report* of the Village of Killbuck, Holmes County, prepared by Jessica Heldman, CPA, for the audit period January 1, 2023 through December 31, 2024. 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 Killbuck is responsible for compliance with these laws and regulations.

KEITH FABER Ohio Auditor of State

Tiffany L Ridenbaugh, CPA, CFE, CGFM Chief Deputy Auditor

November 13, 2025



VILLAGE OF KILLBUCK, OHIO HOLMES COUNTY

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INDEPENDENT AUDITOR'S REPORT

Village of Killbuck Holmes County 138 S. Main St. Killbuck, OH 44637

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 Killbuck, Holmes County, Ohio (the Village), which comprise the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023, 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 as of and for the years ended December 31, 2024 and 2023 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, 2024 and 2023, or the changes in financial position or, where applicable, 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 (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.



Jessica Heldman, CPA

330 Muskingum Drive Marietta, OH 45750 Village of Killbuck Holmes County Independent Auditor's Report Page 2

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

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

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 *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.

Village of Killbuck Holmes County Independent Auditor's Report Page 3

• 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 June 30, 2025, 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.

Jessica Heldman, CPA

Jessica Heldman CPA

Marietta, Ohio

June 30, 2025

Holmes County

Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types

For the Year Ended December 31, 2024

		Governmenta	_			
		General	-	Special Revenue	(Me	Totals emorandum Only)
Cash Receipts		General		ic venue		Olly)
Property and Other Local Taxes	\$	54,530	\$	_	\$	54,530
Municipal Income Tax	Ψ	225,323	Ψ	96,866	Ψ	322,189
Intergovernmental		32,907		47,499		80,406
Earnings on Investments		58,851		8,594		67,445
Miscellaneous		5,581		28,626		34,207
Miscertaneous		3,301		20,020		31,207
Total Cash Receipts		377,192		181,585		558,777
Cash Disbursements						
Current:						
Security of Persons and Property		47,065		-		47,065
Public Health Services		1,967		-		1,967
Leisure Time Activities		1,104		27,019		28,123
Community Environment		-		6,000		6,000
Basic Utility Services		-		85,080		85,080
Transportation		117		110,184		110,301
General Government		145,731		-		145,731
Capital Outlay		6,274		30,871		37,145
Debt Service:						
Principal Retirement		7,295		39,153		46,448
Interest and Fiscal Charges				937		937
Total Cash Disbursements		209,553		299,244		508,797
Excess of Receipts Over (Under) Disbursements		167,639		(117,659)		49,980
Other Financing Receipts (Disbursements)						
Transfers In		_		29,300		29,300
Transfers Out		(29,300)				(29,300)
		(=>,===)				(== ,= ==)
Total Other Financing Receipts (Disbursements)		(29,300)		29,300		
Net Change in Fund Cash Balances		138,339		(88,359)		49,980
Fund Cash Balances, January 1		1,238,791		425,611		1,664,402
Fund Cash Balances, December 31	\$	1,377,130	\$	337,252	\$	1,714,382

Holmes County

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

Proprietary Fund Type

For the Year Ended December 31, 2024

	Proprietary Fund Type		
	E	nterprise	
Operating Cash Receipts			
Charges for Services	\$	461,135	
Total Operating Cash Receipts		461,135	
Operating Cash Disbursements			
Personal Services		101,303	
Fringe Benefits		59,889	
Contractual Services		107,863	
Supplies and Materials		36,435	
Total Operating Cash Disbursements		305,490	
Operating Income (Loss)		155,645	
Non-Operating Receipts (Disbursements)			
Special Assessments		579	
Miscellaneous Receipts		1,156	
Capital Outlay		(52,905)	
Principal Retirement		(157,837)	
Interest and Other Fiscal Charges		(9,851)	
Total Non-Operating Receipts (Disbursements)		(218,858)	
Net Change in Fund Cash Balances		(63,213)	
Fund Cash Balances, January 1		577,558	
Fund Cash Balances, December 31	\$	514,345	

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Village of Killbuck, Holmes County (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 water and sewer utilities. The Village contracts with the Holmes County Sheriff's Office to provide security of persons and property. The Village is contracts with the Killbuck Township Fire Department to receive fire protection services and the Village does not retain on ongoing financial interest or an ongoing financial responsibility with this organization.

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 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. The fund also receives 30% of the collected income tax.

Park Fund: The Park Fund accounts for and reports donations and transfers from the General Fund that are committed to fund construction and maintenance of the park.

American Rescue Plan Fund: The American Rescue Plan Fund accounts for monies received from the State during the COVID-19 pandemic.

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2024

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

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

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code 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).

Budgetary Process

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

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

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

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

A summary of 2024 budgetary activity appears in Note 3.

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2024

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 and the nonexpendable portion of the corpus in permanent funds.

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

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

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

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2024

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2024 follows:

2024 Budgeted vs. Actual Receipts

	Budgeted		Actual		
Fund Type		Receipts		Receipts	Variance
General	\$	244,400	\$	377,192	\$ 132,792
Special Revenue		419,000		210,885	(208,115)
Enterprise		575,749		462,870	(112,879)
Total	\$	1,239,149	\$	1,050,947	\$ (188,202)

2024 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation		Budgetary		
Fund Type	Authority		Expenditures		Variance
General	\$	870,931	\$	238,853	\$ 632,078
Special Revenue		483,502		299,244	184,258
Enterprise		986,602		526,083	 460,519
Total	\$	2,341,035	\$	1,064,180	\$ 1,276,855

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 deposits and investment accounts are as follows:

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2024

	2024		
Demand Deposits	\$	2,019,617	
Certificates of Deposit		209,110	
	\$	2,228,727	

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, 2024, the Village is holding \$0 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village. At December 31, 2024, \$0 of deposits were not insured or collateralized.

Note 5 – Taxes

Property Taxes

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

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

Income Taxes

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

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2024

Note 6 – Risk Management

Workers' Compensation

The workers' compensation program, through the Village, is administered by Comp Management, Inc. The experience rating for each of the participating members is calculated as one experience rate and applied to all participants of the program. Premiums paid to the Ohio Workers' Compensation are based on this calculation. Total savings are then determined, and each participant's performance is compared to the overall savings percentage of the program. Based on the calculation of savings, members then either receive funds for contributions or are required to make additional contributions to the program.

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31 (the latest information available):

	<u>2023</u>
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Note 7 – 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.

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2024

The Ohio Revised Code prescribes contribution rates. OPERS members contributed 10% of their gross salaries, and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Social Security

Some Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The Village contributed an amount equal to 6.2% of gross salaries. The Village has paid all contributions required through December 31, 2024.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance and co-pays incurred by the eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contribution allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

	Principa	Interest Rate	
OWDA Loan #4459	\$ 13,	199	0%
OWDA Loan #4826	118,	493	0%
OWDA Loan #6219	386,	376	2%
OPWC Loan #CT46G	33,	273	0%
OPWC Loan #CT49K	25,	634	0%
OPWC Loan #CT79P	286,	739	0%
OPWC Loan #CN02Z	284,	522	0%
Total	\$ 1,148,	236	

The Ohio Water Development Authority (OWDA) Loan #4459 was issued January 1, 2007, in the amount of \$131,989 at 0% interest for 20 years with a maturity date of July 1, 2026 and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was for Sanitary Sewer Rehabilitation.

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2024

The OWDA Loan #4826 was issued January 1, 2009, in the amount of \$592,464 at 0% interest for 20 years with a maturity date of July 1, 2028, and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was for the second phase of Sanitary Sewer Rehabilitation.

The OWDA Loan #6219 was issued January 1, 2014, in the amount of \$551,683 at 2% interest for 30 years with a maturity date of July 1, 2043, and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was for the new Water Treatment Plant, Waterlines and Meters.

The OWDA Loan #8203 was issued January 1, 2020, in the amount of \$27,005, with \$10,000 principal forgiveness leaving a balance of \$17,005 at 0% interest and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was to fulfill the EPA requirements of an asset management plan for the Water System. This loan was paid in full during 2024.

The Ohio Public Works Commission (OPWC) Loan #CT46G was issued January 1, 2010, in the amount of \$110,912 at 0% interest for 20 years with a maturity date of July 1, 2030, and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was for Sanitary Sewer Rehabilitation.

The OPWC Loan #CT49K was issued January 1, 2010, in the amount of \$85,447 at 0% interest for 20 years with a maturity date of July 1, 2030, and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was for Sanitary Sewer Rehabilitation, Phase II.

The OPWC Loan #CT79K was issued January 1, 2013, in the amount of \$441,138 at 0% interest for 30 years with a maturity date of January 1, 2044, and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was for Water Treatment Plant Replacement.

The OPWC Loan #CN02Z was issued January 1, 2024, in the amount of \$291,818 at 0% interest for 20 years with a maturity date of January 1, 2044, and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was for multiple street improvements.

The Village obtained a lease-purchase agreement on March 17, 2022, in the amount of \$360,330 at 3.6% interest, and semi-annual payments are made April 1st and November 1st of the year. The lease was paid in full during 2024.

Amortization

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

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2024

Year Ending December 31:	DA Loan #4459	 VDA Loan #4826	OV	VDA Loan #6219	 WC Loan CT46G	 WC Loan CT49K	 WC Loan CT79P	 WC Loan CN02Z
2025	\$ 6,600	\$ 29,623	\$	24,544	\$ 5,546	\$ 4,272	\$ 14,705	\$ 14,591
2026	6,599	29,624		24,544	5,545	4,272	14,704	14,591
2027	-	29,623		24,544	5,546	4,273	14,705	14,591
2028	-	29,623		24,544	5,545	4,272	14,704	14,591
2029	-	-		24,544	5,546	4,272	14,705	14,591
2030 - 2034	-	-		122,719	5,545	4,273	73,523	72,954
2035 - 2039	-	-		122,719	-	-	73,523	72,954
2040 - 2044	 			98,175			66,170	65,659
Total	\$ 13,199	\$ 118,493	\$	466,333	\$ 33,273	\$ 25,634	\$ 286,739	\$ 284,522

Note 10 - Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balance of outstanding encumbrances in the General Fund was \$0.

The fund balances of special revenue funds is either restricted or committed. The fund balances of capital projects 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.

Holmes County

Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) All Governmental Fund Types

For the Year Ended December 31, 2023

	Governmen	_	
			Totals
	G 1	Special	(Memorandum
	General	Revenue	Only)
Cash Receipts	ф. 51 060	0	Φ 51 0.60
Property and Other Local Taxes	\$ 51,969	\$ -	\$ 51,969
Municipal Income Tax	200,363	77,610	277,973
Intergovernmental	74,880	49,106	123,986
Earnings on Investments	51,079	6,452	57,531
Miscellaneous	13,660	15,071	28,731
Total Cash Receipts	391,951	148,239	540,190
Cash Disbursements			
Current:			
Security of Persons and Property	37,054	-	37,054
Public Health Services	1,967	-	1,967
Leisure Time Activities	-	24,082	24,082
Community Environment	-	20,000	20,000
Transportation	63,941	138,607	202,548
General Government	148,286	-	148,286
Capital Outlay	306,595	-	306,595
Debt Service:			
Principal Retirement	-	37,610	37,610
Interest and Fiscal Charges		2,426	2,426
Total Cash Disbursements	557,843	222,725	780,568
Excess of Receipts Over (Under) Disbursements	(165,892)	(74,486)	(240,378)
Other Financing Receipts (Disbursements)			
Loans Issued	287,016	-	287,016
Transfers In	-	21,800	21,800
Transfers Out	(21,800)		(21,800)
Total Other Financing Receipts (Disbursements)	265,216	21,800	287,016
Net Change in Fund Cash Balances	99,324	(52,686)	46,638
Fund Cash Balances, January 1	1,139,467	478,297	1,617,764
Fund Cash Balances, December 31	\$ 1,238,791	\$ 425,611	\$ 1,664,402

Holmes County

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

Proprietary Fund Type

For the Year Ended December 31, 2023

	Proprietary Fund Type		
	E	nterprise	
Operating Cash Receipts			
Charges for Services	\$	443,395	
Total Operating Cash Receipts		443,395	
Operating Cash Disbursements			
Personal Services		97,122	
Fringe Benefits		49,708	
Contractual Services		112,403	
Supplies and Materials		28,157	
Total Operating Cash Disbursements		287,390	
Operating Income (Loss)		156,005	
Non-Operating Receipts (Disbursements)			
Miscellaneous Receipts		10,376	
Capital Outlay		(14,132)	
Principal Retirement		(153,912)	
Interest and Other Fiscal Charges		(13,155)	
Total Non-Operating Receipts (Disbursements)		(170,823)	
Net Change in Fund Cash Balances		(14,818)	
Fund Cash Balances, January 1		592,376	
Fund Cash Balances, December 31	\$	577,558	

Holmes County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Killbuck, Holmes County (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 water and sewer utilities. The Village contracts with the Holmes County Sheriff's Office to provide security of persons and property. The Village is contracts with the Killbuck Township Fire Department to receive fire protection services and the Village does not retain on ongoing financial interest or an ongoing financial responsibility with this organization.

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 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. The fund also receives 30% of the collected income tax.

Park Fund: The Park Fund accounts for and reports donations and transfers from the General Fund that are committed to fund construction and maintenance of the park.

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:

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2023

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

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code 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).

Budgetary Process

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

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

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

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

A summary of 2023 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.

Holmes County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

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

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

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

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2023

amounts, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts

	E	Budgeted		Actual			
Fund Type	I	Receipts		Receipts	Variance		
General	\$	237,800	\$	678,967	\$	441,167	
Special Revenue		128,180		170,039		41,859	
Enterprise		430,000		453,771		23,771	
Total	\$	795,980	\$	1,302,777	\$	506,797	

2023 Budgeted vs. Actual Budgetary Basis Expenditures

	Ap	propriation	В	Budgetary			
Fund Type		Authority	Ex	penditures	Variance		
General	\$	701,877	\$	583,656	\$	118,221	
Special Revenue		447,227		229,336		217,891	
Enterprise		971,917		470,397		501,520	
Total	\$	2,121,021	\$	1,283,389	\$	837,632	

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 deposits and investment accounts are as follows:

	 2023
Demand Deposits	\$ 2,032,850
Certificates of Deposit	 209,110
	\$ 2,241,960

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, 2023, the Village is holding \$0 in unremitted employee payroll withholdings.

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2023

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village. At December 31, 2023, \$0 of deposits were not insured or collateralized.

Note 5 - Taxes

Property Taxes

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

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

Income Taxes

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

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

Note 6 – Risk Management

Workers' Compensation

The workers' compensation program, through the Village, is administered by Comp Management, Inc. The experience rating for each of the participating members is calculated as one experience rate and applied to all participants of the program. Premiums paid to the Ohio Workers' Compensation are based on this calculation. Total savings are then determined, and each participant's performance is compared to the overall savings percentage of the program. Based on the calculation of savings, members then either receive funds for contributions or are required to make additional contributions to the program.

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2023

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31:

	<u>2023</u>
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Note 7 – 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 prescribes contribution rates. OPERS members contributed 10% of their gross salaries, and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Social Security

Some Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The Village contributed an amount equal to 6.2% of gross salaries. The Village has paid all contributions required through December 31, 2023.

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2023

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance and co-pays incurred by the eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contribution allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	I	Principal	Interest Rate
OWDA Loan #4459	\$	19,798	0%
OWDA Loan #4826		148,116	0%
OWDA Loan #6219		402,943	2%
OWDA Loan #8203		2,219	0%
OPWC Loan #CT46G		38,819	0%
OPWC Loan #CT49K		29,906	0%
OPWC Loan #CT79P		301,444	0%
OPWC Loan #CN02Z		291,818	0%
Lease-Purchase Agreement		117,460	3.6%
Total	\$	1,352,523	

The Ohio Water Development Authority (OWDA) Loan #4459 was issued January 1, 2007, in the amount of \$131,989 at 0% interest for 20 years with a maturity date of July 1, 2026 and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was for Sanitary Sewer Rehabilitation.

The OWDA Loan #4826 was issued January 1, 2009, in the amount of \$592,464 at 0% interest for 20 years with a maturity date of July 1, 2028, and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was for the second phase of Sanitary Sewer Rehabilitation.

The OWDA Loan #6219 was issued January 1, 2014, in the amount of \$551,683 at 2% interest for 30 years with a maturity date of July 1, 2043, and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was for the new Water Treatment Plant, Waterlines and Meters.

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2023

The OWDA Loan #8203 was issued January 1, 2020, in the amount of \$27,005, with \$10,000 principal forgiveness leaving a balance of \$17,005 at 0% interest with a maturity date of July 1, 2024, and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was to fulfill the EPA requirements of an asset management plan for the Water System.

The Ohio Public Works Commission (OPWC) Loan #CT46G was issued January 1, 2010, in the amount of \$110,912 at 0% interest for 20 years with a maturity date of July 1, 2030, and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was for Sanitary Sewer Rehabilitation.

The OPWC Loan #CT49K was issued January 1, 2010, in the amount of \$85,447 at 0% interest for 20 years with a maturity date of July 1, 2030, and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was for Sanitary Sewer Rehabilitation, Phase II.

The OPWC Loan #CT79K was issued January 1, 2013, in the amount of \$441,138 at 0% interest for 30 years with a maturity date of January 1, 2044, and semi-annual payments are made January 1st and July 1st of the year. The purpose of the loan was for Water Treatment Plant Replacement.

Leases

The Village obtained a lease-purchase agreement on March 17, 2022, in the amount of \$360,330 at 3.6% interest, and semi-annual payments are made April 1st and November 1st of the year.

Amortization

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

Year Ending	OW	DA Loan	OW	DA Loan	OWDA Loan		OPWC Loan		OPWC Loan		OPWC Loan		OPWC Loan	
December 31:	#	<i>‡</i> 4459		#4826	#6219		#CT46G		#CT49K		#CT79P		#CN02Z	
2024	\$	6,599	\$	29,623	\$	24,544	\$	5,546	\$	4,272	\$	14,705	\$	14,591
2025		6,600		29,623		24,544		5,545		4,272		14,704		14,591
2026		6,599		29,623		24,544		5,546		4,273		14,705		14,591
2027		-		29,624		24,544		5,545		4,272		14,704		14,591
2028		-		29,623		24,544		5,546		4,272		14,705		14,591
2029 - 2033		-		-		122,719		11,091		8,545		73,523		72,954
2034 - 2038		-		-		122,719		-		-		73,523		72,954
2039 - 2043						122,719						80,875		72,955
Total	\$	19,798	\$	148,116	\$	490,877	\$	38,819	\$	29,906	\$	301,444	\$	291,818

Holmes County Notes to the Financial Statements For the Year Ended December 31, 2023

Note 10 - Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balance of outstanding encumbrances in the General Fund was \$4,013.

The fund balances of special revenue funds is either restricted or committed. The fund balances of capital projects 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.

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

Village of Killbuck Holmes County 138 S. Main St. Killbuck, OH 44637

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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Village of Killbuck, Holmes County, Ohio (the Village) and have issued our report thereon dated June 30, 2025, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(C) permit.

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 purpose 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 a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.



Village of Killbuck Holmes County Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards* Page 2

Report on Compliance and Other Matters

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

Purpose of This Report

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

Jessica Heldman, CPA

Jessica Heldman CPA

Marietta, Ohio

June 30, 2025

VILLAGE OF KILLBUCK, OHIO HOLMES COUNTY SCHEDULE OF FINDINGS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

FINDING NUMBER 2024-001

Material Weakness

Financial Reporting

Sound financial reporting is the responsibility of the Fiscal Officer and Village Council and is essential to ensure information provided to the readers of the financial statements is complete and accurate.

Material and immaterial misstatements were identified during the course of the audit and have not been prevented or detected by the Village's internal controls over financial reporting. The following errors were identified:

- OPWC Loan proceeds classified as Intergovernmental and Transportation instead of Loans Issued and Capital Outlay in the General Fund in 2023.
- Excise tax receipts not properly allocated between the Street Construction, Maintenance and Repair and State Highway Funds in 2023 and 2024.
- Revolving loan activity not properly classified in the CIC Fund in 2023 and 2024.

All of the above-noted adjustments and reclassifications are reflected in the financial statements and all adjustments have been posted to the Village's accounting system.

The Village should establish and implement procedures to verify that financial activity is recorded correctly and in a timely manner. The Uniform Accounting Network (UAN) Accounting & General Manual and other resources on the Auditor of State Web site can be used for guidance in the recording of financial activity.

Officials' Response: We did not receive a response from the client to this finding.



VILLAGE OF KILLBUCK

HOLMES 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 11/25/2025

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