



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF OAK HILL
JACKSON COUNTY

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INDEPENDENT AUDITOR'S REPORT

Village of Oak Hill
Jackson County
415 North Front Street
Oak Hill, Ohio 45656

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 Oak Hill, Jackson County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2021 and 2020, 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2022, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 19, 2022

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Village of Oak Hill, Ohio*Jackson 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	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$108,214	\$75,685	\$0	\$183,899
Municipal Income Tax	159,890	0	0	159,890
Intergovernmental	67,556	185,109	143,807	396,472
Charges for Services	1,071	67,335	0	68,406
Fines, Licenses and Permits	16,676	136	0	16,812
Earnings on Investments	1,739	133	0	1,872
Miscellaneous	19,780	0	0	19,780
<i>Total Cash Receipts</i>	<u>374,926</u>	<u>328,398</u>	<u>143,807</u>	<u>847,131</u>
Cash Disbursements				
Current:				
Security of Persons and Property	269,779	119,450	0	389,229
Public Health Services	8,670	75,933	0	84,603
Transportation	0	92,664	0	92,664
General Government	73,108	29,458	0	102,566
Capital Outlay	0	46,813	78,182	124,995
<i>Total Cash Disbursements</i>	<u>351,557</u>	<u>364,318</u>	<u>78,182</u>	<u>794,057</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>23,369</u>	<u>(35,920)</u>	<u>65,625</u>	<u>53,074</u>
Other Financing Receipts (Disbursements)				
Transfers In	15,666	14,141	0	29,807
Transfers Out	0	(50,000)	0	(50,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>15,666</u>	<u>(35,859)</u>	<u>0</u>	<u>(20,193)</u>
<i>Net Change in Fund Cash Balances</i>	39,035	(71,779)	65,625	32,881
<i>Fund Cash Balances, January 1</i>	<u>501,055</u>	<u>362,301</u>	<u>89,037</u>	<u>952,393</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$540,090</u></u>	<u><u>\$290,522</u></u>	<u><u>\$154,662</u></u>	<u><u>\$985,274</u></u>

See accompanying notes to the basic financial statements

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

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$978,247
<i>Total Operating Cash Receipts</i>	<u>978,247</u>
Operating Cash Disbursements	
Personal Services	246,004
Employee Fringe Benefits	81,689
Contractual Services	1,307
Supplies and Materials	364,966
Other	163,499
<i>Total Operating Cash Disbursements</i>	<u>857,465</u>
<i>Operating Income (Loss)</i>	<u>120,782</u>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	25,344
Miscellaneous Receipts	17,819
Principal Retirement	(140,171)
Interest and Other Fiscal Charges	(23,046)
<i>Total Non-Operating (Disbursements)</i>	<u>(120,054)</u>
<i>Income before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	728
Transfers In	20,193
<i>Net Change in Fund Cash Balances</i>	20,921
<i>Fund Cash Balances, January 1</i>	<u>550,142</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$571,063</u></u>

See accompanying notes to the basic financial statements

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

	Fiduciary Fund Type
	Custodial
	Other Custodial
Additions	
Fines, Licenses and Permits for Distribution	3,150
<i>Total Additions</i>	3,150
Deductions	
Other Distributions	3,250
<i>Total Deductions</i>	3,250
<i>Net Change in Fund Balance</i>	(100)
<i>Fund Cash Balance, January 1</i>	498
<i>Fund Cash Balance, December 31</i>	\$398

See accompanying notes to the basic financial statements

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Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Oak Hill, Jackson County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements of the Village are not misleading.

Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Village. The primary government of the Village of Oak Hill provides the following services to its citizens: water, sewer and trash utilities; park operations; maintenance of roads; and police services. The Village contracts with the Madison-Jefferson Joint Fire District for fire protection services.

Component Units

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board; and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Village.

The Village of Oak Hill Community Improvement Corporation (the CIC) was formed on November 28, 2016 as a legally separate not-for-profit organization, created under Ohio Revised Code Chapter 1724, to support the advancement, encouragement and promotion of the industrial, economic, commercial and civic development of the Village of Oak Hill. The CIC is governed by a three-member Board of Directors appointed by the Village of Oak Hill, which consists of the Village Mayor, Village Fiscal Officer, and a member of Village Council. The Board of Directors has the authority to make, prescribe, and enforce all rules and regulations for the conduct of all business and affairs of the CIC and the management and control of its properties. Because the Village makes up and/or appoints a voting majority of the Board of Directors, and the Village is able to impose its will on the operation of the CIC, the CIC is considered a component unit of the Village.

The Village passed a resolution in 2021 to dissolve the CIC. Paperwork was filed with the Ohio Secretary of State that reflected a dissolution date of May 27, 2021. The CIC did not have any financial activity in 2021 through the date of dissolution.

Public Entity Risk Pool

The Village participates in the Public Entities Pool of Ohio which is a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Street Construction, Maintenance, and Repair Fund – This fund receives gasoline tax and motor vehicle license tax monies for constructing, maintaining, and repairing Village streets.

Cemetery Fund – This fund receives property tax monies to maintain the Village's cemetery.

CARES Act Relief Fund – This fund receives intergovernmental monies to provide financial relief to the Village for eligible costs incurred as a result of 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:

Permissive Sales Tax Fund – This fund receives permissive sales tax monies to be used for road and community improvements.

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 Operating Fund – This fund receives charges for services from residents and businesses to cover water service costs.

Sewer Operating Fund – This fund receives charges for services from residents and businesses to cover sewer service costs.

Trash Fund – This fund receives charges for services from residents and businesses to cover trash service costs.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Fiduciary Funds – Fiduciary funds include custodial funds. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village’s custodial fund accounts for the financial activity of the Mayor’s Court.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

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

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

Budgetary Process

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

Appropriations – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. 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 canceled and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of the 2021 budgetary activity appears in note 3.

Deposits and Investments

The Village’s accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Village values certificates of deposit at cost and U.S. Series EE Paper Savings Bonds at face/denomination amount.

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.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 nonspendable portion of the corpus in permanent funds.

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

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

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

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

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

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

Note 3 – Budgetary Activity

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

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$290,900	\$390,592	\$99,692
Special Revenue	292,716	342,539	49,823
Capital Projects	60,000	143,807	83,807
Enterprise	977,000	1,041,603	64,603
Total	\$1,620,616	\$1,918,541	\$297,925

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$500,020	\$351,557	\$148,463
Special Revenue	552,649	414,318	138,331
Capital Projects	140,000	78,182	61,818
Enterprise	1,243,167	1,020,682	222,485
Total	\$2,435,836	\$1,864,739	\$571,097

Note 4 –Deposits and Investments

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

Demand deposits	\$1,429,772
Certificates of deposit	125,363
Total deposits	1,555,135
U.S. savings bonds	1,600
Total deposits and investments	\$1,556,735

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

Investments – U.S. Savings Bonds are evidenced by Series EE bonds that exist in physical form.

Note 5 –Taxes

Property Taxes

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

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

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

Income Taxes

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

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

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 – Risk Management

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, 2021:

Cash and investments	\$41,996,850
Actuarial liabilities	14,974,099

Note 7 – Defined Benefit Pension Plans and Postemployment Benefits

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

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

Social Security

One Village Council member contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The Council member 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.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Postemployment Benefits

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

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 8 – Debt

Debt outstanding at December 31, 2021 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan (5340)	\$71,442	0.00%
Ohio Water Development Authority Loan (5884)	468,327	3.35%-3.79%
Ohio Water Development Authority Loan (6768)	75,032	2.00%
Ohio Water Development Authority Loan (7944)	196,464	0.00%
Ohio Public Works Commission (CO05H)	13,367	0.00%
Ohio Public Works Commission (CO08N)	119,583	0.00%
Ohio Public Works Commission (CO36F)	7,802	0.00%
Ohio Public Works Commission (CT78M)	50,999	0.00%
Ohio Public Works Commission (CT12U)	403,200	0.00%
Vinton County National Bank Note (200467617)	56,907	3.85%
Total	<u>\$1,463,123</u>	

The Ohio Water Development Authority (OWDA) loan #5340 originated in October 2009 to fund planning and design costs on a sewer collections improvement project, including the pay-off of OWDA loan #4905. The loan was approved in the amount of \$185,645. As of December 31, 2021, only \$178,606 has been drawn and the loan status indicates this loan is closed. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #5884 originated in June 2011 to fund a waterline replacement project. The loan was approved in the amount of \$599,437. As of December 31, 2021, the full amount has been drawn. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #6768 originated in June 2014 to fund a water meter replacement project. The loan was approved in the amount of \$138,794. As of December 31, 2021, \$124,430 had been drawn and the loan status indicates this loan is closed. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #7944 originated in January 2018 to fund improvements to the wastewater treatment plant. The loan was approved in the amount of \$1,202,623. As of December 31, 2021, \$1,059,790 had been drawn. Principal forgiveness adjustments totaling \$866,000 have been made to the balance of this loan. Water and sewer receipts will collateralize the loan. The Village has agreed to set utility rates sufficient to

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

cover OWDA debt service requirements. This loan is not yet completed; therefore, an amortization schedule is not currently available.

The Ohio Public Works Commission loan CO05H is an interest-free loan that was obtained for a sewer system rehabilitation project. The loan originated in 2005 in the amount of \$59,407. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$1,485 over 20 years.

The Ohio Public Works Commission loan CO08N is an interest-free loan that was obtained for a water line replacement project. The loan originated in 2012 in the amount of \$175,000. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$2,917 over 30 years.

The Ohio Public Works Commission loan CO36F is an interest-free loan that was obtained for a sewer system rehabilitation project. The loan originated in 2004 in the amount of \$52,014. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$1,300 over 20 years.

The Ohio Public Works Commission loan CT78M is an interest-free loan that was obtained for a sewer collection repairs and water system telemetry project. The loan originated in 2009 in the amount of \$125,000. However, only \$76,498 has been drawn and the project has been identified as closed. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$2,083 over 30 years.

The Ohio Public Works Commission loan CT12U is an interest-free loan that was obtained to fund improvements to the wastewater treatment plant. The loan originated in 2018 in the amount of \$448,000. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$22,400 over 20 years.

The Vinton County National Bank note #200467617 was obtained in 2018 in the amount of \$179,000 at 3.85% interest. The note was for the purpose of purchasing a garbage truck. The note is secured by the vehicle. The Village will repay the note in semi-annual installments of \$19,852 over 5 years.

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

Year ending December 31:	OWDA	OPWC	VCNB Truck Note
2022	\$26,074	\$34,869	\$39,704
2023	52,150	36,354	19,852
2024	52,149	36,353	0
2025	52,149	33,753	0
2026	52,149	33,755	0
2027-2031	237,708	153,915	0
2032-2036	167,880	153,915	0
2037-2041	167,880	120,314	0
2042	16,790	2,923	0
Total	\$824,929	\$606,151	\$59,556

Note 9 – Contingent Liabilities

Litigation

The Village is not currently party to litigation.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Grants

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 10 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>
Nonspendable:	
Unclaimed Monies	<u>\$975</u>
<i>Total</i>	<u><u>\$975</u></u>

Note 11 – COVID-19

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

The Village received \$79,716 in American Rescue Act funding in 2021. Of the funds received, \$23,693 was spent in 2021 and is reflected as security of persons and property and general government disbursements in the American Rescue Plan Act special revenue fund on the accompanying financial statements. The Village also spent \$134,771 in funds carried forward from 2020 in the CARES Act Relief special revenue fund. These amounts are also reflected as security of persons and property, general government, capital outlay, and transfers out on the accompanying financial statements. The Village did not sub-grant funds to other governments and organizations, nor were funds returned to the granting agency or spent on-behalf of other governments.

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Village of Oak Hill, Ohio
Jackson 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	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$100,030	\$80,716	\$0	\$180,746
Municipal Income Tax	261,195	0	0	261,195
Intergovernmental	75,130	261,771	80,244	417,145
Charges for Services	442	26,870	0	27,312
Fines, Licenses and Permits	23,405	415	0	23,820
Earnings on Investments	2,491	589	0	3,080
Miscellaneous	9,135	3,117	0	12,252
<i>Total Cash Receipts</i>	<u>471,828</u>	<u>373,478</u>	<u>80,244</u>	<u>925,550</u>
Cash Disbursements				
Current:				
Security of Persons and Property	180,451	77,084	0	257,535
Public Health Services	5,516	66,296	0	71,812
Transportation	0	91,364	0	91,364
General Government	83,743	6,483	0	90,226
Capital Outlay	0	0	100,814	100,814
Debt Service:				
Principal Retirement	4,831	0	0	4,831
Interest and Fiscal Charges	129	0	0	129
<i>Total Cash Disbursements</i>	<u>274,670</u>	<u>241,227</u>	<u>100,814</u>	<u>616,711</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>197,158</u>	<u>132,251</u>	<u>(20,570)</u>	<u>308,839</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	5,552	0	0	5,552
Transfers In	5,611	9,598	0	15,209
Transfers Out	0	(23,840)	0	(23,840)
Other Financing Sources	404	14	0	418
<i>Total Other Financing Receipts (Disbursements)</i>	<u>11,567</u>	<u>(14,228)</u>	<u>0</u>	<u>(2,661)</u>
<i>Net Change in Fund Cash Balances</i>	208,725	118,023	(20,570)	306,178
<i>Fund Cash Balances, January 1</i>	<u>292,330</u>	<u>244,278</u>	<u>109,607</u>	<u>646,215</u>
<i>Fund Cash Balances, December 31</i>	<u>\$501,055</u>	<u>\$362,301</u>	<u>\$89,037</u>	<u>\$952,393</u>

See accompanying notes to the basic financial statements

Village of Oak Hill, Ohio
Jackson 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	\$987,376
<i>Total Operating Cash Receipts</i>	<u>987,376</u>
Operating Cash Disbursements	
Personal Services	209,770
Employee Fringe Benefits	94,002
Contractual Services	51
Supplies and Materials	365,946
Other	191,694
<i>Total Operating Cash Disbursements</i>	<u>861,463</u>
<i>Operating Income</i>	<u>125,913</u>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	24,921
Intergovernmental Receipts	5,154
Earnings on Investments (proprietary funds only)	383
Miscellaneous Receipts	46,005
Principal Retirement	(83,592)
Interest and Other Fiscal Charges	(25,092)
Other Financing Sources	28
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(32,193)</u>
<i>Income before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	93,720
Transfers In	8,631
<i>Net Change in Fund Cash Balances</i>	102,351
<i>Fund Cash Balances, January 1</i>	<u>447,791</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$550,142</u></u>

See accompanying notes to the basic financial statements

Village of Oak Hill, Ohio
Jackson County
Statement of Additions, Deductions
and Change in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2020

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
	<u>Other</u>
	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	1,765
<i>Total Additions</i>	1,765
Deductions	
Other Distributions	1,741
<i>Total Deductions</i>	1,741
<i>Net Change in Fund Balance</i>	24
<i>Fund Cash Balance, January 1</i>	474
<i>Fund Cash Balance, December 31</i>	\$498

See accompanying notes to the basic financial statements

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Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Oak Hill, Jackson County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements of the Village are not misleading.

Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Village. The primary government of the Village of Oak Hill provides the following services to its citizens: water, sewer and trash utilities; park operations; maintenance of roads; and police services. The Village contracts with the Madison-Jefferson Joint Fire District for fire protection services.

Component Units

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board; and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village.

The Village of Oak Hill Community Improvement Corporation (the CIC) was formed on November 28, 2016 as a legally separate not-for-profit organization, created under Ohio Revised Code Chapter 1724, to support the advancement, encouragement and promotion of the industrial, economic, commercial and civic development of the Village of Oak Hill. The CIC is governed by a three-member Board of Directors appointed by the Village of Oak Hill, which consists of the Village Mayor, Village Fiscal Officer, and a member of Village Council. The Board of Directors has the authority to make, prescribe, and enforce all rules and regulations for the conduct of all business and affairs of the CIC and the management and control of its properties. Because the Village makes up and/or appoints a voting majority of the Board of Directors, and the Village is able to impose its will on the operation of the CIC, the CIC is considered a component unit of the Village.

Financial information for the CIC can be requested from the Village of Oak Hill, 415 North Front Street, Oak Hill, Ohio 45656.

Public Entity Risk Pool

The Village participates in the Public Entities Pool of Ohio which is a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 and fiduciary fund types which are 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 – This fund receives gasoline tax and motor vehicle license tax monies for constructing, maintaining, and repairing Village streets.

Cemetery Fund – This fund receives property tax monies to maintain the Village's cemetery.

School Resource Officer Fund – This fund receives charge for service receipts to be used for school resource officer expenses.

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:

Permissive Sales Tax Fund – This fund receives permissive sales tax monies to be used for road and community improvements.

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 Operating Fund – This fund receives charges for services from residents and businesses to cover water service costs.

Sewer Operating Fund – This fund receives charges for services from residents and businesses to cover sewer service costs.

Trash Fund – This fund receives charges for services from residents and businesses to cover trash service costs.

Fiduciary Funds – Fiduciary funds include custodial funds. Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2020

directed by the individual, organization or other government. The Village's custodial fund accounts for the financial activity of the Mayor's Court.

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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

Appropriations – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. 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. The Village did not encumber all commitments required by Ohio law.

A summary of the 2020 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. The Village values certificates of deposit at cost and U.S. Series EE Paper Savings Bonds at face/denomination amount.

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.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Fund Balance

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

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

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

Committed – Council can commit 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. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State statute.

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.

Note 3 – Budgetary Activity

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

Fund Type	Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$282,400	\$483,395	\$200,995
Special Revenue	348,963	383,090	34,127
Capital Projects	60,000	80,244	20,244
Enterprise	931,000	1,072,498	141,498
Total	\$1,622,363	\$2,019,227	\$396,864

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$444,884	\$274,690	\$170,194
Special Revenue	516,589	265,067	251,522
Capital Projects	140,000	100,814	39,186
Enterprise	1,215,985	970,169	245,816
Total	\$2,317,458	\$1,610,740	\$706,718

Note 4 – Deposits and Investments

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

Demand deposits	\$1,376,224
Certificates of deposit	125,209
Total deposits	1,501,433
U.S. savings bonds	1,600
Total deposits and investments	\$1,503,033

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

Investments – U.S. Savings Bonds are evidenced by Series EE bonds that exist in physical form.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to 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.

Income Taxes

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

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

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, 2020:

Cash and investments	\$40,318,971
Actuarial liabilities	14,111,510

Note 7 – Defined Benefit Pension Plans and Postemployment Benefits

Ohio Public Employees Retirement System

The Village’s full-time employees other than police officers 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2020, 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, 2020.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2020, OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members’ wages. The Village has paid all contributions required through December 31, 2020.

Social Security

One Village Council member contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Official 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.

Postemployment Benefits

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

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 8 – Debt

Debt outstanding at December 31, 2020 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan (5340)	\$80,373	0.00%
Ohio Water Development Authority Loan (5884)	483,772	3.35%-3.79%
Ohio Water Development Authority Loan (6768)	83,054	2.00%
Ohio Water Development Authority Loan (7944)	213,295	0.00%
Ohio Public Works Commission (CO05H)	17,822	0.00%
Ohio Public Works Commission (CO08N)	128,333	0.00%
Ohio Public Works Commission (CO36F)	11,703	0.00%
Ohio Public Works Commission (CT78M)	54,824	0.00%
Ohio Public Works Commission (CT12U)	436,800	0.00%
Vinton County National Bank Note (200467617)	93,317	3.85%
Total	<u>\$1,603,293</u>	

The Ohio Water Development Authority (OWDA) loan #5340 originated in October 2009 to fund planning and design costs on a sewer collections improvement project, including the pay-off of OWDA loan #4905. The loan was approved in the amount of \$185,645. As of December 31, 2020, only \$178,606 has been drawn and the loan status indicates this loan is closed. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #5884 originated in June 2011 to fund a waterline replacement project. The loan was approved in the amount of \$599,437. As of December 31, 2020, the full amount has been drawn. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #6768 originated in June 2014 to fund a water meter replacement project. The loan was approved in the amount of \$138,794. As of December 31, 2020, \$124,430 had been drawn and the loan status indicates this loan is closed. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Ohio Water Development Authority (OWDA) loan #7944 originated in January 2018 to fund improvements to the wastewater treatment plant. The loan was approved in the amount of \$1,202,623. As of December 31, 2020, \$1,059,790 had been drawn. Principal forgiveness adjustments totaling \$866,000 have been made to the balance of this loan. Water and sewer receipts will collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. This loan is not yet completed; therefore, an amortization schedule is not currently available.

The Ohio Public Works Commission loan CO08N is an interest-free loan that was obtained for a water line replacement project. The loan originated in 2012 in the amount of \$175,000. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$2,917 over 30 years.

The Ohio Public Works Commission loan CO36F is an interest-free loan that was obtained for a sewer system rehabilitation project. The loan originated in 2004 in the amount of \$52,014. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$1,300 over 20 years.

The Ohio Public Works Commission loan CO05H is an interest-free loan that was obtained for a sewer system rehabilitation project. The loan originated in 2005 in the amount of \$59,407. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$1,485 over 20 years.

The Ohio Public Works Commission loan CT78M is an interest-free loan that was obtained for a sewer collection repairs and water system telemetry project. The loan originated in 2009 in the amount of \$125,000. However, only \$76,498 has been drawn and the project has been identified as closed. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$2,083 over 30 years.

The Ohio Public Works Commission loan CT12U is an interest-free loan that was obtained to fund improvements to the wastewater treatment plant. The loan originated in 2018 in the amount of \$448,000. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$22,400 over 20 years.

The Vinton County National Bank note #200467617 was obtained in 2018 in the amount of \$179,000 at 3.85% interest. The note was for the purpose of purchasing a garbage truck. The note is secured by the vehicle. The Village will repay the note in semi-annual installments of \$19,852 over 5 years.

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

Year ending December 31:	OWDA	OPWC	VCNB Truck Note
2021	\$26,075	\$36,354	\$39,704
2022	52,150	36,354	39,704
2023	52,150	36,354	19,852
2024	52,149	36,353	0
2025	52,149	35,053	0
2026-2030	256,282	156,887	0
2031-2035	167,880	153,915	0
2036-2040	167,880	142,715	0
2041-2042	50,364	15,497	0
Total	<u>\$877,079</u>	<u>\$649,482</u>	<u>\$99,260</u>

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 9 – Contingent Liabilities

Grants

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. Grants 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.

Litigation

The Village is not currently party to litigation.

Note 10 – 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. (customize as needed) In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received CARES Act funding totaling \$163,263. These funds were used to purchase emergency equipment and to reimburse the Village for hazard pay. These amounts are reflected as general government expenditures in the CARES Act Relief Special Revenue Fund on the accompanying financial statements.

Note 11 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>
Nonspendable:	
Unclaimed Monies	<u>\$975</u>
<i>Total</i>	<u><u>\$975</u></u>

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

Village of Oak Hill
Jackson County
415 N. Front Street
Oak Hill, Ohio 45656

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of Oak Hill, Jackson County, Ohio, (the Village), and have issued our report thereon dated September 19, 2022, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. 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 purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2021-002 and 2021-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2021-001.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

September 19, 2022

VILLAGE OF OAK HILL
JACKSON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020

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

FINDING NUMBER 2021-001

Noncompliance

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required meet the obligation or, the case of continuing contract to be performed in whole or in part in an ensuing fiscal year, the amount required to meet the obligation in the fiscal year in which the contract is made 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. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Ohio Rev. Code §§ 5705.41(D)(1) and 5705.41(D)(3), respectively.

1. "Then and Now" certificate – If the chief fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village Council can authorize the drawing of a warrant for the payment of the amount due. The Village Council has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions or taxing units may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificate – The auditor or fiscal officer may prepare "blanket" certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Village Council may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to deficiencies in internal controls, eighty percent of the transactions tested at year-end were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative fund cash balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

**VILLAGE OF OAK HILL
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020
(Continued)**

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

FINDING NUMBER 2021-001 (Continued)

Noncompliance - Ohio Rev. Code § 5705.41(D)(1) (Continued)

To improve controls over disbursements and to help reduce the possibility of the Village funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Village. When prior certification is not possible, “then and now” certification should be used.

FINDING NUMBER 2021-002

Material Weakness

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Village Council to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Village and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amounts appropriated by the Village Council are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

At December 31, 2020, estimated receipts as approved by the Budget Commission did not agree to the Village's accounting system for the following fund:

	Approved	UAN System	Variance
School Resource Officer Fund	\$ 25,500	\$ 30,109	\$ (4,609)

At December 31, 2020, appropriations as approved by Village Council did not agree to the Village's accounting system for the following fund:

	Approved	UAN System	Variance
School Resource Officer Fund	\$ 51,000	\$ 55,609	\$ (4,609)

Special Revenue estimated receipts were overstated \$4,609 in the notes to the financial statements at December 31, 2020. Special Revenue estimated receipts were overstated \$60,000 and estimated receipts for Capital Projects were understated \$60,000 at December 31, 2021. Special Revenue appropriations were overstated \$4,609, respectively, at December 31, 2020.

**VILLAGE OF OAK HILL
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2021-002 (Continued)

Material Weakness (Continued)

Further, Special Revenue appropriations were overstated \$140,000 and Capital Projects appropriations were understated \$140,000 in the notes to the financial statements at December 31, 2021. The notes to the financial statements have been corrected for these errors.

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Village Council were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) was not posted properly to the accounting system.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Village Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

FINDING NUMBER 2021-003

Material Weakness

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

As a result of the audit procedures performed, the financial statements had the following errors that required audit adjustments or reclassifications:

In 2020:

- General Fund beginning January 1, 2020 fund balance was understated in comparison to the audited December 31, 2019 fund balance \$1,950 due to the Unclaimed Monies Fund rolling up into the General Fund for reporting purposes;
- General Fund municipal income tax receipts of \$261,195 were incorrectly classified as intergovernmental and miscellaneous receipts of \$245,587 and \$15,608, respectively;
- General Fund intergovernmental receipts of \$26,418 were incorrectly classified as taxes and miscellaneous receipts of \$17,414 and \$9,004, respectively;

**VILLAGE OF OAK HILL
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2021-003 (Continued)

Material Weakness (Continued)

- General Fund sale of capital assets receipts of \$5,552 were incorrectly classified as miscellaneous receipts;
- General Fund debt service principal retirement and interest and other fiscal charges disbursements of \$4,831 and \$129, respectively, were incorrectly classified as general government disbursements;
- General Fund general government disbursements of \$13,231 were incorrectly classified as basic utility services disbursements;
- General Fund beginning January 1, 2020 fund balance and security of persons and property disbursements were understated \$1,146 due to fund balance adjustments made by the Fiscal Officer to eliminate deficit fund balances;
- General Fund beginning January 1, 2020 fund balance was overstated and transfers in were understated \$5,611 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund;
- Street Construction Maintenance and Repair Fund beginning January 1, 2020 fund balance was overstated and transfers in were understated \$1,626 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund;
- Street Construction Maintenance and Repair Fund intergovernmental receipts of \$4,757 were incorrectly posted to the State Highway fund as intergovernmental receipts;
- Permissive Motor Vehicle License Tax Fund tax receipts of \$6,279 were incorrectly classified as intergovernmental receipts;
- Cemetery Trust Fund interest receipts of \$213, miscellaneous receipts of \$9, and beginning fund balance of \$17,732 were incorrectly reported in a Permanent Fund in UAN but has been reported as a Special Revenue Fund in the audited report for several years;
- School Resource Officer Fund charges for services receipts of \$13,005 were incorrectly classified as intergovernmental receipts;
- School Resource Officer Fund beginning January 1, 2020 fund balance was overstated and transfers in were understated \$7,829 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund;
- Cares Act Fund beginning January 1, 2020 fund balance was understated and transfers out were understated \$23,840 due to the Fiscal Officer making a fund balance adjustment to reimburse various funds for hazard pay;
- Permissive Sales Tax Capital Projects Fund intergovernmental receipts of \$80,244, capital outlay disbursements of \$100,814, and beginning fund balance of \$109,607 were incorrectly reported in a Special Revenue Fund;
- Water Operating Fund beginning January 1, 2020 fund balance was overstated and transfers in were understated \$3,672 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund;
- Sewer Operating Fund beginning January 1, 2020 fund balance was overstated and transfers in were understated \$1,092 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund;

**VILLAGE OF OAK HILL
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2021-003 (Continued)

Material Weakness (Continued)

- Trash Fund beginning January 1, 2020 fund balance was overstated and transfers in were understated \$3,867 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund; and
- Mayor's Court Custodial Fund fines, licenses, and permits for disbursements receipts of \$1,765 and other disbursements of \$1,741 were unrecorded.

In 2021:

- General Fund municipal income tax receipts of \$159,890 were incorrectly classified as miscellaneous receipts;
- General Fund intergovernmental receipts of \$16,713 were incorrectly classified as taxes receipts;
- General Fund general government disbursements of \$12,505 were incorrectly classified as basic utility services disbursements;
- General Fund beginning January 1, 2021 fund balance was overstated and transfers in were understated by \$15,666 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund;
- Street Construction Maintenance and Repair Fund beginning January 1, 2021 fund balance was overstated and transfers in were understated \$5,877 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund;
- Cemetery Fund beginning January 1, 2021 fund balance was overstated and transfers in were understated \$2,099 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund;
- School Resource Officer Fund charges for service receipts of \$51,000 were incorrectly classified as intergovernmental receipts;
- School Resource Officer Fund beginning January 1, 2021 fund balance was overstated and transfers in were understated \$6,165 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund;
- Cemetery Trust Fund interest receipts of \$3 and beginning fund balance of \$17,954 was incorrectly classified in a Permanent Fund in UAN but has been reported as a Special Revenue Fund in the audited report for several years;
- Cares Act Fund security of persons and property and capital outlay disbursements of \$12,818 and \$46,813, respectively, were incorrectly classified as general government disbursements;
- Cares Act Fund beginning January 1, 2021 fund balance was understated and transfers out were understated \$50,000 due to the Fiscal Officer making a fund balance adjustment to reimburse various funds for hazard pay;
- Cares Act Fund beginning January 1, 2021 fund balance was understated and intergovernmental receipts were overstated \$79,716 due to the Fiscal Officer making a fund balance adjustment to the American Rescue Plan Act Fund;
- American Rescue Plan Act Fund January 1, 2021 fund balance and intergovernmental receipts were understated \$79,716 due to the Fiscal Officer making a fund balance adjustment from the Cares Act Fund;
- American Rescue Plan Act Fund security of persons and property disbursements of \$21,803 were incorrectly classified as general government disbursements;

**VILLAGE OF OAK HILL
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2021-003 (Continued)

Material Weakness (Continued)

- Permissive Sales Tax Capital Projects Fund intergovernmental receipts of \$86,607, capital outlay disbursements of \$20,982, and beginning fund balance of \$89,037 were incorrectly classified in a Special Revenue Fund;
- Permissive Sales Tax Capital Projects Fund intergovernmental receipts and capital outlay disbursements of \$57,200 were unrecorded due to on behalf of payments from a CDBG project through the County;
- Water Operating Fund beginning January 1, 2021 fund balance was overstated and transfers in were understated \$5,785 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund;
- Sewer Operating Fund beginning January 1, 2021 fund balance was overstated and transfers in were understated \$4,161 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund;
- Trash Fund beginning January 1, 2021 fund balance was overstated and transfers in were understated \$6,591 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund;
- Swimming Pool Fund beginning January 1, 2021 fund balance was overstated and transfers in were understated \$3,657 due to the Fiscal Officer making a fund balance adjustment to reimburse for hazard pay from the Cares Act Fund; and
- Mayor's Court Custodial Fund fines, licenses, and permits for disbursements receipts of \$3,150 and other disbursements of \$3,250 were unrecorded.

The Fiscal Officer made classification errors in posting of receipts and disbursements. This caused the incorrect fund type classifications errors/unrecorded receipts and disbursements noted above.

The audited financial statements and the Village's UAN accounting system have been adjusted for the items noted above.

The Fiscal Officer should review the Village Officer's Handbook for guidance on the correct line item and fund type to post various receipts and disbursements of the Village to ensure the Village's financial statements are complete and accurate.

Officials' Response: We did not receive a response from Officials to these findings.

Village of Oak Hill
415 North Front Street
Oak Hill, Ohio 45656
740-682-7207 or 740-682-6301

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

Finding Number	Finding Summary	Status	Additional Information
2019-001	Ohio Rev. Code § 5705.41(D)(1) – Not properly encumbering funds.	Not Corrected.	Fiscal Officer will certify funds are or will be available prior to purchases by the Village. Then and Now certificates will be used if the amount of purchase is over \$3,000 and the purchase is deemed necessary without a purchase order in place.
2019-002	Material Weakness – incorrect posting of receipts, disbursements, and fund type classifications.	Not Corrected.	Fiscal Officer will refer to the Village Officials handbook to ensure postings are correct. Fiscal Officer will also complete the required annual trainings to become more familiar with different fund classifications.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF OAK HILL

JACKSON 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 10/4/2022

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

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