

**VILLAGE OF WOODMERE**  
CUYAHOGA COUNTY, OHIO

**REGULAR AUDIT**

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



OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Woodmere  
27899 Chagrin Blvd  
Woodmere, OH 44122

We have reviewed the *Independent Auditor's Report* of the Village of Woodmere, Cuyahoga County, prepared by Julian & Grube, Inc., for the audit period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

The Village Mayor's annual compensation, based on multiple components, includes a base salary for the duties of Mayor and Safety Directory, as well as an auto allowance and per meeting payment for serving as a member of the planning and zoning commission.

Due to an oversight in payroll rate entry in the accounting system, the Mayor's total compensation for all positions was miscalculated, resulting in him receiving additional pay of \$1,124 and \$736 (\$1,860 total) for 2020 and 2021, respectively.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended, is hereby issued against, Benjamin Holbert, in the amount of \$1,860 and in favor of the Village's General Fund.

On September 23, 2022, the Village was reimbursed \$1,860 for this prior overpayment.

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 Woodmere is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

October 05, 2022

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**VILLAGE OF WOODMERE  
CUYAHOGA COUNTY, OHIO**

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## Independent Auditor's Report

Village of Woodmere  
Cuyahoga County  
27899 Chagrin Blvd.  
Woodmere, Ohio 44122

To the Members of the Village Council:

### Report on the Audit of the Financial Statements

#### *Unmodified and Adverse Opinions*

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total of the Village of Woodmere, Cuyahoga County, Ohio, 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 of the Village of Woodmere, as of and for the years ended December 31, 2021 and 2020 in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 2.

#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*” section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of Woodmere, as of December 31, 2021 and 2020, or changes in financial position, and cash flows thereof for the years then ended.

#### *Basis for Opinions*

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

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

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

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

### ***Emphasis of Matter***

As described in Note 17 and Note 18 to the financial statements for the years ended December 31, 2021 and 2020, respectively, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village of Woodmere. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Woodmere's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Woodmere'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 August 10, 2022 on our consideration of the Village of Woodmere's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Woodmere's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Woodmere's internal control over financial reporting and compliance.

*Julian & Grube, Inc.*

Julian & Grube, Inc.  
August 10, 2022

**Village of Woodmere, Ohio**  
*Cuyahoga 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*

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 173,198	\$ 75,053	\$ -	\$ -	\$ 248,251
Municipal Income Tax	3,394,932	-	-	-	3,394,932
Intergovernmental	58,982	293,553	-	181,293	533,828
Special Assessments	1,257	-	109,111	-	110,368
Charges for Services	37,631	-	-	-	37,631
Fines, Licenses and Permits	148,219	10,790	-	-	159,009
Earnings on Investments	1,586	-	-	-	1,586
Miscellaneous	22,885	-	-	-	22,885
<i>Total Cash Receipts</i>	<u>3,838,690</u>	<u>379,396</u>	<u>109,111</u>	<u>181,293</u>	<u>4,508,490</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	1,894,873	132,263	-	-	2,027,136
Public Health Services	-	50,000	-	-	50,000
Community Environment	33,438	-	-	-	33,438
Basic Utility Services	-	5,234	-	-	5,234
Transportation	334,526	28,009	-	191,947	554,482
General Government	1,082,507	53,825	-	-	1,136,332
Capital Outlay	-	-	-	36,804	36,804
Debt Service:					
Principal Retirement	-	-	1,460,000	-	1,460,000
Interest and Fiscal Charges	-	-	41,429	-	41,429
<i>Total Cash Disbursements</i>	<u>3,345,344</u>	<u>269,331</u>	<u>1,501,429</u>	<u>228,751</u>	<u>5,344,855</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>493,346</u>	<u>110,065</u>	<u>(1,392,318)</u>	<u>(47,458)</u>	<u>(836,365)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Notes	-	-	1,290,666	-	1,290,666
Sale of Capital Assets	2,409	-	-	-	2,409
Transfers In	-	-	100,000	12,017	112,017
Transfers Out	(116,025)	-	-	-	(116,025)
Advances In	-	-	-	43,918	43,918
Advances Out	(43,918)	-	-	-	(43,918)
Other Financing Sources	180	-	-	-	180
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(157,354)</u>	<u>-</u>	<u>1,390,666</u>	<u>55,935</u>	<u>1,289,247</u>
<i>Net Change in Fund Cash Balances</i>	335,992	110,065	(1,652)	8,477	452,882
<i>Fund Cash Balances, January 1</i>	<u>1,053,764</u>	<u>178,239</u>	<u>23,272</u>	<u>265,068</u>	<u>1,520,343</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,389,756</u>	<u>\$ 288,304</u>	<u>\$ 21,620</u>	<u>\$ 273,545</u>	<u>\$ 1,973,225</u>

See accompanying notes to the financial statements

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2021*

	Proprietary Fund Type
	Internal Service
<b>Operating Cash Disbursements</b>	
Employee Fringe Benefits	\$ 6,106
<i>Total Operating Cash Disbursements</i>	6,106
<i>Operating Income (Loss)</i>	(6,106)
<i>Income (Loss) before Transfers</i>	(6,106)
Transfers In	4,008
<i>Net Change in Fund Cash Balances</i>	(2,098)
<i>Fund Cash Balances, January 1</i>	2,098
<i>Fund Cash Balances, December 31</i>	\$ -

*See accompanying notes to the financial statements*

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Combined Statement of Additions, Deductions*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2021*

	Fiduciary Fund Type
	Custodial
	Other Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$ 97,299
Deposits Received	15,331
<i>Total Additions</i>	112,630
<b>Deductions</b>	
Distributions to Other Governments	22,212
Distributions to Other Funds (Primary Gov't)	69,525
Other Distributions	14,178
<i>Total Deductions</i>	105,915
<i>Net Change in Fund Balances</i>	6,715
<i>Fund Cash Balances, January 1</i>	531,810
<i>Fund Cash Balances, December 31</i>	\$ 538,525

*See accompanying notes to the financial statements*

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The Village of Woodmere (the Village), Cuyahoga County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected seven-member Council directs the Village. The Village provides police, fire, emergency medical services, public services including trash collections, Mayor’s Court and other services to the residents, and businesses located in Woodmere. The Village’s appropriations are for the purpose of funding the Safety Forces (Police & Fire) the Service Department, Mayor’s Court, Dispatch Services, and the Administration. Over half of the Villages appropriations cover the Police and Fire Departments.

***Jointly Governed Organizations***

The Village contracts with the Chagrin Valley Dispatch Council to provide security of persons and property. In addition, the Village participated in the Valley Enforcement Regional Council of Governments (VERCOG), which is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. Note 14 to the financial statements provides additional information for these entities.

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

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

***Fund Accounting***

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

***General Fund:*** The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any proper public purpose provided it is expended or transferred according to the general laws of Ohio. The General Fund is the main operating fund for the Village. The main source of revenue for the General Fund is local income taxes primarily collected by the Regional Income Tax Agency while also receiving some distributions from the State Of Ohio. In 2021 the Village received \$3,394,932 in gross local income tax distributions.

***Special Revenue Funds:*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures 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.

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Police Pension Fund:** This fund receives proceeds collected by the Cuyahoga County Tax Treasurer from a .3 mill property tax in Woodmere Village. The fund received \$17,319 in 2021, in revenue for the Police Pension Fund, which is based on the Villages Assessed Valuation multiplied by the rate of the millage.

**Fire Levy Fund:** This Fund was established by the voters of Woodmere Village to issue a 1 mill property tax for funding various operations of the fire department including capital equipment and vehicles. The levy generated \$57,734 in revenue for the Fire Department, which is based on the Villages Assessed Valuation multiplied by the rate of the millage.

**Federal Grant (Covid Relief Fund):** This fund was used to account for federal grants received pertaining to Covid Relief. The Village received \$162,888 from the grant in 2021. The grant was used for expenditures by the Police, Fire and Service Departments for expenditures pertaining or related to the Covid.

**Community Development Block Grant:** This fund was used to account for grant money awarded to the Village by the Cuyahoga County Community Block Grant for the purpose of construction on Brainard Road. The Village received \$50,000 and spent \$50,000 in 2021.

***Debt Service Funds:*** The Village has two debt service funds which are listed below. These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village Debt Service Funds included the following.

**General Obligations Debt Service Fund:** The Village began 2021 with \$1,370,000 in outstanding note principal for the Service Department Facility, Village Hall Renovation, and the Brainard Road Property. The Village paid down principal in the amount of \$80,000, which left an outstanding note principal amount of \$1,290,000 which was rolled over to 2022. The remaining balance for each note is as follows: A new Service Department Facility \$675,000; Village Hall renovation \$540,000; Brainard Road Property \$75,000.

**Special Assessment Debt Service Fund:** The Village has Special Assessment Bonds (first issued in 2004) that were for the specific purpose of funding the widening of a portion of Chagrin Boulevard located in Woodmere. The funding is collected from the proceeds of a special assessment tax on local business owners affiliated with the Eton Collection Mall in Woodmere. The Bonds mature in 2024.

***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 funds:

**New Vehicle Fund:** This fund is for the Village's Departments to set aside money for the future purchase or replacement of vehicles. Currently \$120,000 is set aside for the Fire Department and \$47,410 is for the Service Department.

**Building Improvement Fund:** These dollars are for improvements to buildings owned and maintained by the Village.

**Brainard Road Fund:** This money is restricted for the purpose of improvements and maintenance for Brainard Road. The Village spent \$179,780 on Brainard Road in 2021. These disbursements have and/or will be reimbursed through a grant awarded to the Village by the Ohio Department of Natural Resources.

***Internal Service Fund:*** This fund accounts for services provided by one department to other departments of the Village. The Village had the following Internal Service Fund:

**Health Care Fund:** The Village established this fund by Ordinance in 2014, which was used to account for insurance premium payments, for employees enrolled in the health insurance plan and reimbursements related to the Health Reimbursement Arrangement Plan. This fund will no longer be utilized after December 31, 2021.

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***Fiduciary Funds:*** Fiduciary funds include private purpose trust funds, investment trust funds, and 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.

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) fiduciary fund type. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

The Village's custodial funds include the Road Deposit, Building Deposit and License Forfeiture funds. In addition, the Village also maintains a Mayor's Court Fund and Bail Bond Fund. The Mayor's Court has a Magistrate, Prosecutor and Clerk whose primary responsibility is to account for all financial activity for local citations and fines received. A significant percentage of the fines are paid into the Village's General Fund on the following month of collection.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 (C) permit.

***Budgetary Process***

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

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

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

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

A summary of 2021 budgetary activity appears in Note 4.

***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 primary investment institution for the Village is STAR Ohio, which is under the Ohio State Treasurer's Office and authorized through the Ohio Revised Code. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***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 balances have 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*. 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 15.

**Note 3 – Compliance**

The Village was in noncompliance with Ohio Revised Code Section 5705.41(D) for not certifying expenditures timely.

The Village was in noncompliance with Ohio Revised Code Section 5705.42 for not recording on-behalf payments.

The Village was in noncompliance with Ohio Revised Code Section 5705.09(F) for not establishing a separate special revenue fund for Local Fiscal Recovery monies.



**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 4 – Budgetary Activity**

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,635,257	\$3,841,279	\$206,022
Special Revenue	338,159	379,396	41,237
Debt Service	1,499,777	1,499,777	0
Capital Projects	200,424	237,228	36,804
Internal Service	4,008	4,008	0
Fiduciary	116,181	112,630	(3,551)
<b>Total</b>	<b>\$5,793,806</b>	<b>\$6,074,318</b>	<b>\$280,512</b>

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,213,454	\$3,555,921	\$657,533
Special Revenue	393,145	271,099	122,046
Debt Service	1,499,777	1,501,429	(1,652)
Capital Projects	314,779	228,751	86,028
Internal Service	0	6,106	(6,106)
Fiduciary	0	107,387	(107,387)
<b>Total</b>	<b>\$6,421,155</b>	<b>\$5,670,693</b>	<b>\$750,462</b>

**Note 5 – 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:

	<b>2021</b>
Demand deposits	\$471,205
<b>Total deposits</b>	<b>471,205</b>
STAR Ohio	2,040,545
<b>Total Investments</b>	<b>2,040,545</b>
<b>Total Deposits and Investments</b>	<b>\$2,511,750</b>

**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.

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***Investments***

The Village's Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form. At year-end 2021 the value of the STAR Ohio account was \$2,040,545.

**Note 6 – 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 2.5% 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.

The Village contracts with the Regional Income Tax Agency to collect local income taxes and to pursue delinquent taxpayers. In addition, the Village contracts with an individual to provide Tax Auditing on behalf of Woodmere Village. Employers within the Village withhold income tax on employee compensation and remit the tax to the Regional Income Tax Agency either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. Also, some entities file their local taxes with the State of Ohio and then the local taxes are remitted back to the Village by the State.

**Note 7 – Interfund Balances**

Outstanding advances on December 31, 2021, consisted of \$43,918 advanced from the General Fund to the Brainard Road Fund (Capital Projects Fund) to provide working capital for the road construction project. A request to Council to return this advance to the General Fund will be made once the Village receives reimbursement from the Ohio Department of Natural Resources. In addition, \$1,600 remains outstanding from 2017 from an advance from the General Fund to the Community Development Block Grant Special Revenue Fund.

**Note 8 – Risk Management**

***Workers' Compensation***

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

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.
- Vehicles; and
- Errors and omissions.
- Public Officials Liability
- Crime coverage and Cyber coverage

The Village solicited proposals from two brokers (Love Insurance and Wichert Insurance). The Council accepted one of the proposals from Wichert Insurance for Selective/Travelers to provide Commercial Liability Insurance for the Village.

***Health Insurance:***

The Village utilized the brokerage services of the Fedeli Group to secure health care proposals to provide employees who are eligible with health insurance for 2021. In September of 2020, the Council passed legislation authorizing Anthem Insurance Company to provide health insurance to the eligible employees.

**Note 9 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most Village employees belong to the Ohio Public Employees Retirement System (OPERS) except for Full-Time Police Officers and Full-Time Firefighters. In addition, Part-Time Firefighters may opt out of OPERS coverage and then fall under Social Security. OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% percent of their gross salaries, and the Village contributed an amount equaling 14% percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

***Ohio Police and Fire Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2021.

***Social Security***

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

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

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 10 – 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 11 – Debt**

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

	Principal	Interest Rate
Special Assessment Bonds	\$295,000	5.500%
General Obligation Notes	\$1,290,000	0.625%
<b>Total</b>	<b>\$1,585,000</b>	

The \$295,000 **Special Assessment bonds** were issued in 2004 for the purpose of widening the eastern side of Chagrin boulevard and to pay for the project via special assessments on the tax bill of the owners of the Eton Collection Mall. The bonds mature in 2024.

The \$1,290,000 **Outstanding General Obligation Notes** were issued in September of 2021 for the following three Village Projects: a) Service Garage \$675,000, Village Hall Remodeling \$540,000, and the Brainard Road Property in the amount of \$75,000. The Note is for one year and matures September of 2022. The Village approved to renew a portion of the Notes in 2022.

**Amortization**

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

Year Ending December 31:	Special Assessment Bonds	General Obligation Notes
2022	\$119,338	\$1,298,063
2023	111,500	0
2024	113,663	0
Total	\$344,501	\$1,298,063

**Note 12 – Construction and Contractual Commitments**

The Village is finishing construction contracts for Brainard Road. This remaining amount of the contract is immaterial to the overall financial statements.

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 13 – Contingent Liabilities**

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

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

**Note 14 – Jointly Governed Organizations**

**Valley Enforcement Regional Council of Governments**

The Village is a member of Valley Enforcement Regional Council of Governments (VERCOG), a jointly governed organization. VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code.

VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (VEG), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is comprised of approximately fifteen communities located within the Chagrin Valley region which exercise Law enforcement authority under Ohio law and whose law enforcement agency consisted of four or more full time, sworn law enforcement officers.

VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purpose. The Village pays an annual membership fee to belong which was \$10,000 in 2021.

**Chagrin Valley Dispatch Council**

The Village is a member of the Chagrin Valley Dispatch Council (CVDC), a jointly governed organization. CVDC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. CVDC was formed to promote cooperative arrangements and coordinate action in matters relating to the dispatch of public safety services and the operation of a communications center. During 2021, the Village contributed \$166,808 to CVDC. Payments were for dispatch services and other emergency related fees (Reverse 911). Financial information can be obtained by contacting the City of Brecksville, 9069 Brecksville Road, Brecksville, Ohio, 44141.

**Note 15 – Fund Balances**

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:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	50,634	1,768	52,402
<i>Total</i>	<u>\$50,634</u>	<u>\$1,768</u>	<u>\$52,402</u>

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

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 16 – Miscellaneous**

In 2020, a recall petition was filed with the Cuyahoga County Board of Elections to remove four members of Village Council. A Special Election was held in February, 2021 and the residents of Woodmere Village who voted in the election were in favor of removing the four Council Members. New Council personnel were appointed to the vacant Council positions. All four of the appointed members filed to run in the November 2021 general election and were successful in retaining their seats.

**Note 17 – COVID-19**

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

During 2021, the Village received CARES Act funding. These amounts are reflected as Security of Persons and Property disbursements in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

**Village of Woodmere, Ohio**  
*Cuyahoga 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*

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 184,895	\$ 76,679	\$ -	\$ -	\$ 261,574
Municipal Income Tax	2,789,128	-	-	-	2,789,128
Intergovernmental	23,279	97,747	-	44,842	165,868
Special Assessments	404	-	108,986	-	109,390
Charges for Services	21,337	6,500	-	-	27,837
Fines, Licenses and Permits	111,675	2,740	-	-	114,415
Earnings on Investments	8,513	-	-	-	8,513
Miscellaneous	500	157	-	-	657
<i>Total Cash Receipts</i>	<u>3,139,731</u>	<u>183,823</u>	<u>108,986</u>	<u>44,842</u>	<u>3,477,382</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	1,658,556	282,793	-	-	1,941,349
Public Health Services	4,818	-	-	-	4,818
Community Environment	9,975	-	-	-	9,975
Basic Utility Services	65,008	2,600	-	-	67,608
Transportation	89,119	26,309	-	-	115,428
General Government	1,199,478	8,029	1,079	-	1,208,586
Capital Outlay	18,531	4,193	-	297,770	320,494
Debt Service:					
Principal Retirement	-	-	1,485,000	-	1,485,000
Interest and Fiscal Charges	32,825	-	26,850	-	59,675
<i>Total Cash Disbursements</i>	<u>3,078,310</u>	<u>323,924</u>	<u>1,512,929</u>	<u>297,770</u>	<u>5,212,933</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>61,421</u>	<u>(140,101)</u>	<u>(1,403,943)</u>	<u>(252,928)</u>	<u>(1,735,551)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Notes	-	-	1,370,000	-	1,370,000
Other Debt Proceeds	-	-	4,624	-	4,624
Transfers In	-	-	5,000	67,039	72,039
Transfers Out	(367,039)	-	-	-	(367,039)
Other Financing Sources	267,012	-	-	-	267,012
Other Financing Uses	(100)	-	-	-	(100)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(100,127)</u>	<u>-</u>	<u>1,379,624</u>	<u>67,039</u>	<u>1,346,536</u>
<i>Net Change in Fund Cash Balances</i>	<u>(38,706)</u>	<u>(140,101)</u>	<u>(24,319)</u>	<u>(185,889)</u>	<u>(389,015)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,092,470</u>	<u>318,341</u>	<u>47,592</u>	<u>450,957</u>	<u>1,909,360</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,053,764</u>	<u>\$ 178,240</u>	<u>\$ 23,273</u>	<u>\$ 265,068</u>	<u>\$ 1,520,345</u>

See accompanying notes to the financial statements

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*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
	Internal Service
<b>Operating Cash Receipts</b>	
Miscellaneous	\$ 290
<i>Total Operating Cash Receipts</i>	<i>290</i>
<b>Operating Cash Disbursements</b>	
Employee Fringe Benefits	314,292
Contractual Services	693
<i>Total Operating Cash Disbursements</i>	<i>314,985</i>
<i>Operating Income (Loss)</i>	<i>(314,695)</i>
<b>Non-Operating Receipts (Disbursements)</b>	
Other Financing Sources	12,702
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>12,702</i>
<i>Income (Loss) before Transfers</i>	<i>(301,993)</i>
Transfers In	295,000
<i>Net Change in Fund Cash Balances</i>	<i>(6,993)</i>
<i>Fund Cash Balances, January 1</i>	<i>9,091</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 2,098</i>

*See accompanying notes to the financial statements*



**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Combined Statement of Additions, Deductions*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2020*

	Fiduciary Fund Type
	Custodial
	Other Custodial
<b>Additions</b>	
Charges for Services	\$ 11,679
Fines, Licenses and Permits for Distribution	82,442
Deposits Received	4,129
<i>Total Additions</i>	98,250
<b>Deductions</b>	
Distributions to Other Governments	16,918
Distributions to Other Funds (Primary Gov't)	63,281
Distributions of Deposits	506
Other Distributions	6,784
<i>Total Deductions</i>	87,489
<i>Net Change in Fund Balances</i>	10,761
<i>Fund Cash Balances, January 1</i>	521,050
<i>Fund Cash Balances, December 31</i>	\$ 531,811

*See accompanying notes to the financial statements*

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

The Village of Woodmere (the Village), Cuyahoga County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected seven-member Council directs the Village. The Village provides police, fire, emergency medical services, public services including trash collections, Mayor’s Court and other services to the residents, and businesses located in Woodmere. The Village’s appropriations are for the purpose of funding the Safety Forces (Police & Fire) the Service Department, Mayor’s Court, Dispatch Services, and the Administration. Over half of the Villages appropriations cover the Police and Fire Departments.

***Jointly Governed Organizations***

The Village contracts with the Chagrin Valley Dispatch Council to provide security of persons and property. In addition, the Village participated in the Valley Enforcement Regional Council of Governments (VERCOG), which is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. Note 14 to the financial statements provides additional information for these entities.

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

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

***Fund Accounting***

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

***General Fund:*** The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any proper public purpose provided it is expended or transferred according to the general laws of Ohio. The General Fund is the main operating fund for the Village. The main source of revenue for the General Fund is local income taxes primarily collected by the Regional Income Tax Agency. In 2020 the Village received \$2,789,128 in local income tax distributions which were lower than prior years primarily due to the pandemic. Expenditures for the General Fund are categorized by Department including Administration, Mayor’s Court, Police, Dispatch, Fire, and the Service Department.

***Special Revenue Funds:*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures 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.

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Police Pension Fund:** This fund receives proceeds collected by the Cuyahoga County Tax Treasurer from a .3 mill property tax in Woodmere Village. The fund received about \$17,696 in 2020, in revenue for the Police Pension Fund, which is based on the Villages Assessed Valuation multiplied by the rate of the millage.

**Fire Levy Fund:** This Fund was established by the voters of Woodmere Village to issue a 1 mill property tax for funding various operations of the fire department including capital equipment and vehicles. The levy generated \$58,983 in revenue for the Fire Department, which is based on the Villages Assessed Valuation multiplied by the rate of the millage.

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

**General Obligations Debt Service Fund:** The Village rolled over notes in the amount of \$1,370,000 for the following projects in 2020: A new Service Department Facility \$700,000; Village Hall renovation \$565,000; Brainard Road Property \$105,000.

**Special Assessment Debt Service Fund:** The Village has Special Assessment Bonds (first issued in 2004) that were for the specific purpose of funding the widening of a portion of Chagrin Boulevard located in Woodmere. The funding is collected from the proceeds of a special assessment tax on local business owners affiliated with the Eton Collection Mall in Woodmere. The Bonds mature in 2024.

***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 funds:

**Building Improvement Fund:** These dollars are for improvements to buildings owned and maintained by the Village.

**New Vehicle Fund:** The General Fund transfers money into this fund for funding primarily Service and Fire Department Vehicles. The Fire Department has \$120,000 in this fund with the remaining amount belonging the Service Department.

**TCSP Fund:** This fund receives transfers from the General Fund for costs related to Chagrin Boulevard.

***Internal Service Fund:*** This fund accounts for services provided by one department to other departments of the Village. The Village had the following Internal Service Fund:

**Health Care Fund:** The Village established this fund by Ordinance in 2014, which was used to account for insurance premium payments, for employees enrolled in the health insurance plan and reimbursements related to the Health Reimbursement Arrangement Plan.

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

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) fiduciary fund type.

The Village's custodial funds include the Road Deposit, Building Deposit and License Forfeiture funds. In addition, the Village also maintains a Mayor's Court Fund and Bail Bond Fund. The Mayor's Court has a Magistrate, Prosecutor and Clerk whose primary responsibility is to account for all financial activity for local citations and fines received. A significant percentage of the fines are paid into the Village's General Fund on the following month of collection.

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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***Basis of Accounting***

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

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

***Budgetary Process***

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

***Appropriations:*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function (department) and within those personal services and other level, 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 balance as of January 1 of the current year. The Treasurer files the Certificate of Estimated Resources with the County Budget Commission, who approves the estimated resources. The Certificate may be amended as needed.

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

A summary of 2020 budgetary activity appears in Note 4.

***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 closed out a certificate of deposit at PNC bank in 2020. The primary investment institution for the Village is STAR Ohio, which is under the Ohio State Treasurer's Office and authorized through the Ohio Revised Code. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

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

***Accumulated Leave***

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

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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***Fund Balance***

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

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

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

***Committed:*** Council can *commit* 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. It should be noted that the Village Council committed \$154,820 to Budgetary Stabilization Reserves in the Village General Fund.

***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 15.

**Note 3 – Compliance**

The Village was in noncompliance with Ohio Revised Code Section 5705.41(D) for not certifying expenditures timely.

The Village was in noncompliance with Ohio Revised Code Section 5705.42 for not recording on-behalf payments.

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,133,142	\$3,406,743	\$273,601
Special Revenue	176,991	183,823	6,832
Debt Service	1,487,205	1,488,610	1,405
Capital Projects	68,000	111,881	43,881
Internal Service	337,409	307,992	(29,417)
Fiduciary	92,450	98,250	5,800
<b>Total</b>	<b>\$5,295,197</b>	<b>\$5,597,299</b>	<b>\$302,102</b>

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,793,117	\$3,456,308	\$336,809
Special Revenue	573,247	324,429	248,818
Debt Service	1,512,930	1,512,929	1
Capital Projects	463,912	297,770	166,142
Internal Service	346,500	314,985	31,515
Fiduciary	356,240	87,489	268,751
<b>Total</b>	<b>\$7,045,946</b>	<b>\$5,993,910</b>	<b>\$1,052,036</b>

**Note 5 – 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:

	<b>2020</b>
Demand deposits	\$615,231
<b>Total deposits</b>	<b>615,231</b>
STAR Ohio	1,439,023
<b>Total Investments</b>	<b>1,439,023</b>
<b>Total Deposits and Investments</b>	<b>\$2,054,254</b>

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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***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***

The Village's Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form. At year-end 2020 the value of the STAR Ohio account was \$1,439,023.

**Note 6 – 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 2.5% 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.

The Village contracts with the Regional Income Tax Agency to collect local income taxes and to pursue delinquent taxpayers. In addition, the Village contracts with an individual to provide Tax Auditing on behalf of Woodmere Village. Employers within the Village withhold income tax on employee compensation and remit the tax to the Regional Income Tax Agency either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 7 – Interfund Balances**

Outstanding advances at December 31, 2020 consisted of \$1,600 advanced from the General Fund to the Community Development Fund Block Grant Special Revenue Fund in 2017.

**Note 8 – Risk Management**

***Workers' Compensation***

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

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions.
- Public Officials Liability
- Crime coverage and Cyber coverage

The Village solicited proposals from two brokers (Love Insurance and Wichert Insurance). The Council accepted one of the proposals from Wichert Insurance for Selective/Travelors to provide Commercial Liability Insurance for the Village.

***Health Insurance:***

The Village utilized the brokerage services of the Fedeli Group to secure health care proposals to provide employees who are eligible with health insurance for 2020. In September of 2020, the Council passed legislation authorizing Anthem Insurance Company to provide health insurance to the eligible employees.

**Note 9 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most Village employees belong to the Ohio Public Employees Retirement System (OPERS) except for Full-Time Police Officers and Full-Time Firefighters. In addition, Part-Time Firefighters may opt out of OPERS coverage and then fall under Social Security. OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

***Ohio Police and Fire Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages, and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2020.

***Social Security***

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.



**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 10 – 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 11 – Debt**

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

	Principal	Interest Rate
Special Assessment Bonds	\$385,000	5.50%
General Obligation Notes	\$1,370,000	1.00%
Total	\$1,755,000	

The \$385,000 **Special Assessment bonds** were issued in 2004 for the purpose of widening the eastern side of Chagrin boulevard and to pay for the project via special assessments on the tax bill of the owners of the Eton Collection Mall. The bonds mature in 2024.

The \$1,370,000 **Outstanding General Obligation Notes** were issued in September of 2020 for the following three Village Projects: a) Service Garage \$700,000, Village Hall Remodeling \$570,000, and the Brainard Road Property in the amount of \$100,000. The Note is for one year and matures September of 2021. The Village approved to renew a portion of the Notes in 2021.

**Leases**

It should be noted that the Village paid in full the lease/purchase for the Fire Department’s ambulance in 2020.

**Amortization**

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

	Special Assessment Bonds	General Obligation Notes
Year Ending December 31:		
2021	\$121,763	\$1,383,700
2022	119,338	0
2023	111,500	0
2024	113,663	0
Total	\$466,264	\$1,383,700

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 12 – Construction and Contractual Commitments**

The Village has two pending grant awards from the Ohio Department of Public Works and Cuyahoga County Community Development for the construction of sidewalks along the Northwestern portion of Brainard Road. However, the Village Council has not approved the acceptance of the grants for this project at the time of this filing.

The Village also has two pending grant awards from the Federal Department of Transportation and the Ohio Public Works Commission for the widening of Chagrin Boulevard. However, the Village Council has not approved the acceptance of the grants for this project at the time of this filing.

**Note 13 – Contingent Liabilities**

The Village is defendant in several lawsuits during 2020. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

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

**Note 14 – Jointly Governed Organizations**

**Valley Enforcement Regional Council of Governments**

The Village is a member of Valley Enforcement Regional Council of Governments (VERCOG), a jointly governed organization. VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code.

VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (VEG), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is comprised of approximately fifteen communities located within the Chagrin Valley region which exercise Law enforcement authority under Ohio law and whose law enforcement agency consisted of four or more full time, sworn law enforcement officers.

VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purpose. The Village pays an annual membership fee to belong which was \$10,000 in 2020.

**Chagrin Valley Dispatch Council**

The Village is a member of the Chagrin Valley Dispatch Council (CVDC), a jointly governed organization. CVDC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. CVDC was formed to promote cooperative arrangements and coordinate action in matters relating to the dispatch of public safety services and the operation of a communications center. During 2020, the Village contributed \$162,459 to CVDC. Payments were for dispatch services and other emergency related fees (Reverse 911). Financial information can be obtained by contacting the City of Brecksville, 9069 Brecksville Road, Brecksville, Ohio, 44141.

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 15 – Fund Balances**

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:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	10,859	506	11,365
<i>Total</i>	<u>\$10,859</u>	<u>\$506</u>	<u>\$11,365</u>

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

**Note 16 – Subsequent Event**

The Village of Woodmere is still recovering economically from the impact of the pandemic (Covid-19). Fiscally the receipts from the Regional Income Tax Agency are being closely monitored by the Village Treasurer and the Village Tax Auditor.

In 2020, a recall petition was filed with the Cuyahoga County Board of Elections to remove four members of Village Council. A Special Election was held in February, 2021 and the residents of Woodmere Village who voted in the election were in favor of removing the four Council Members. New Council personnel were appointed to the vacant Council positions. All four of the appointed members filed to run in the November 2021 general election and were successful in retaining their seats.

**Note 17 – Change in Accounting Principles**

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) -- All Fiduciary Fund Types, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

**Note 18 – COVID-19**

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

During 2020, the Village received CARES Act funding. These amounts are reflected as Security of Persons and Property disbursements in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

**Village of Woodmere, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 19 – Other Financing Sources**

Other Financing Sources in the General fund consist primarily of Bureau of Workers' Compensation, OPERS and RITA refunds.

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

Village of Woodmere  
Cuyahoga County  
27899 Chagrin Blvd.  
Woodmere, Ohio 44122

To the Members of the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total of the Village of Woodmere, Cuyahoga County, Ohio, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements and have issued our report thereon dated August 10, 2022, wherein we noted as described in Note 2 to the financial statements, the Village of Woodmere followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Furthermore, we noted as described in Note 17 and Note 18 to the financial statements for the years ended December 31, 2021 and 2020, respectively, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Village of Woodmere's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Woodmere's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Woodmere'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 of Woodmere'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 and responses as items 2021-001 through 2021-005 that we consider to be material weaknesses.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village of Woodmere's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as items 2021-003 through 2021-005.

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

***Village of Woodmere's Responses to Findings***

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

***Purpose of This Report***

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



Julian & Grube, Inc.  
August 10, 2022

**VILLAGE OF WOODMERE  
CUYAHOGA COUNTY, OHIO**

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

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

Material Weakness – Financial Reporting

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

The following adjustments were made to the financial statements and notes for the years ended December 31, 2021 and 2020, respectively.

2021:

- General Fund intergovernmental cash receipts and cash fund balance were decreased \$44,676 and Special Revenue Fund Type (Local Fiscal Recovery Fund) intergovernmental cash receipts and cash fund balance were increased \$44,676. These adjustments were to properly account for the Local Fiscal Recovery monies that the Village received during the year but has not expended.
- General Fund fines, licenses, and permits cash receipts and cash fund balance were increased \$26,898 and Custodial Fund Type (Mayor’s Court Fund) fines, licenses, and permits additions and cash fund balance were decreased \$26,898. These adjustments were to properly account for Mayor’s Court receipts for the General Fund from the Custodial Fund Type (Mayor’s Court Fund) that had been improperly receipted back into the Custodial Fund Type (Mayor’s Court Fund).
- Capital Projects Fund Type intergovernmental cash receipts and capital outlay cash disbursements were both increased \$36,804. These adjustments were due to an on behalf OPWC grant not being recorded, which should have been recorded in a separate fund within the Capital Projects Fund Type.
- Fund cash balances, January 1 for the General Fund were increased \$8,986, for the Special Revenue Fund Type (Law Enforcement Trust Fund, Police Pension Fund, Fire Levy Fund, State Highway Fund and Street Construction, Maintenance and Repair Fund) were decreased \$9,020, and for the Debt Service Fund Type (Special Assessment Fund) were increased \$33 in order to properly state the beginning cash fund balances.
- Custodial Fund Type (Mayor’s Court Fund) distributions to other government deductions were decreased and distributions to other funds deductions were increased \$69,525 in order to properly state amounts paid from the Mayor’s Court Fund to the General Fund.
- Custodial Fund Type (Health Care Fund) other amounts collected for distribution additions were decreased \$4,008, other distributions deductions were decreased \$6,106, and the fund cash balance, January 1 was decreased \$2,098. Internal Service Fund Type (Health Care Fund) employee fringe benefits operating cash disbursements were increased \$6,106, transfers in cash receipts were increased \$4,008, and the fund cash balance, January 1 was increased \$2,098. These adjustments were due to the misclassification of the Health Care Fund as Custodial Fund Type instead of Internal Service Fund Type.

2020:

- Capital Projects Fund Type intergovernmental cash receipts and capital outlay cash disbursements were both increased \$44,842. These adjustments were due to an on behalf OPWC grant not being recorded, which should have been recorded in a separate fund within the Capital Projects Fund Type.

**VILLAGE OF WOODMERE  
CUYAHOGA COUNTY, OHIO**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)</b>	
Finding Number	2021-001 (Continued)

- General Fund other financing sources cash receipts and cash fund balance were decreased \$5,673 to properly state cash fund balances.

The Village has adjusted their system fund balances for all applicable audit adjustments.

Control procedures not properly developed related to the financial statements limit management’s ability to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes. Additionally, management will not have the necessary information to make timely and well-informed business decisions.

We recommend the Village of Woodmere implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements and related notes prior to presenting them to the auditors. A second review of the monthly cash activity and financial statements by someone other than the individual preparing them would be beneficial.

Client Response: The Village Treasurer will more closely examine HINKLE filed report prior to filing and will work toward more accurately presenting those in the future.

Finding Number	2021-002
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Material Weakness – Employee Payroll Files/Payroll Rates

Effective payroll controls should include detailed employee files that provide all the documentation to support an employee’s rate at all times. Additionally, payroll controls should include procedures where each pay period there is a detailed review of payroll that is performed and approved by someone other than the person preparing the payroll. Throughout the year random audits of employees should be performed to help ensure all gross amounts paid to employees are accurate.

The Village lacked controls to easily identify the rates of pay of all employees. Additionally due to the lack of payroll controls, one employee was overpaid during 2021 and 2020 in the amounts of \$1,124 and \$737, respectively, this employee plans to repay the Village in 2022.

Lack of detailed payroll controls which include an easily auditable ledger of an employees’ rate from hire date to termination date could lead to employees being over or under paid during the year.

We recommend the village consider additional internal controls within their payroll segment of operations. A supervisor should evidence approval of a rate change prior to being entered into the payroll system. This approval should be clearly documented within the employees’ personnel file and contain evidence of all the required approvals (ie. Council approval, supervisory approval, etc.). The Village should consider approving via Council approval at the beginning of each calendar year all rates of pays for all employees in an easily auditable format. Anytime a rate of pay is changed, all proper approvals should be evidenced in the employee file. We further recommend that quarterly at a minimum, all employee payroll gross amounts are verified independently from the person that prepares payroll. The employee files should also contain all approved salary increases or changes so that, at any point in time, the employee’s current salary can be verified.



**VILLAGE OF WOODMERE  
CUYAHOGA COUNTY, OHIO**

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

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

*Client Response:* The Village will evaluate its current practices and perform a review of all employee files to ensure all the appropriate information to support gross wages is maintained within, including evidence of the appropriate approvals.

Finding Number	2021-003
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Material Weakness/Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the Treasurer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The Village had 16.67% and 54.84% of tested expenditures that were not timely certified the years ended December 31, 2021 and 2020, respectively.

Without timely certification, the Village may expend more funds than available in the Treasury, in the process of collection or in the funds appropriated. It may also result in unnecessary purchases.

We recommend all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. A policy and procedure statement adopted by the Council and distributed at least annually may be beneficial. The Village should consider using “Then” and “Now” certificates where applicable.

*Client Response:* The Village is continually trying to improve its ordering and purchasing processes to decrease its noncompliance percentage and help insure all purchased items are timely approved, as evidenced by a purchase order dated prior to the invoice date.

Finding Number	2021-004
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Material Weakness/Noncompliance – OPWC On-Behalf Payments

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

**VILLAGE OF WOODMERE  
CUYAHOGA COUNTY, OHIO**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)</b>	
Finding Number	2021-004 (Continued)

The Village entered into agreements with the Ohio Public Works Commission (OPWC) for a grant during the years ending December 31, 2021 and 2020. The OPWC will make payments to the contractor(s) for its share based on invoices submitted by the treasurer or to the local government as a reimbursement. For payments made to the contractor, the state will notify the treasurer of the amount disbursed. Upon receipt of this notice, each local government shall record a receipt and disbursement in the appropriate governmental and/or enterprise fund equal to the amount disbursed.

The Village did not record the payments made directly to contractors, on-behalf of the Village as part of the 2020 or 2021 OPWC projects. See Finding 2021-001.

The failure to record on-behalf grant activity results in understated receipts and disbursements on the financial statements.

To improve accurate financial reporting, the Township should establish procedures to account for all on-behalf receipts and disbursements to help ensure that the financial statements reflect the related activity.

*Client Response:* The Treasurer will work to add additional procedures to help ensure on-behalf receipts/disbursements are timely and accurately posted in the year the activity takes place.

Finding Number	2021-005
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Material Weakness/Noncompliance – Establishment of Funds

Ohio Revised Code Section 5705.09(F) requires a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose.

The Village did not establish a separate fund in 2021 for the Local Fiscal Recovery monies.

By not establishing a separate fund, the Village is in noncompliance with the Ohio Revised Code and guidance put forth by the federal government and the Ohio Auditor of State. It additionally provides for difficulty in segregating allowable costs.

We recommend that the Village properly establish separate funds in their UAN accounting system when required. Additional guidance can be found on the Ohio Auditor of State website.

Client Response: The Village Treasurer will create a new fund as required in the future.

**VILLAGE OF WOODMERE  
CUYAHOGA COUNTY, OHIO**

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

<b><u>Finding Number</u></b>	<b><u>Year Initially Occurred</u></b>	<b><u>Finding Summary</u></b>	<b><u>Status</u></b>	<b><u>Additional Information</u></b>
2019-001	2017	<u>Material Weakness – Financial Reporting</u> – Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Numerous adjustments were made to the financial statements and related notes.	Not Corrected	Repeated as Finding 2021-001 as audit adjustments were posted to the financial statements and related notes.
2019-002	2017	<u>Significant Deficiency – Bank Balance Over Book Balance</u> – The reconciliation of cash (bank) balances to the accounting system records (book) is the most basic and primary control process performed. There were numerous issues with the Village Bank reconciliation and the corrected bank balance ended up exceeding the book balance.	Corrective Action Taken and Finding is Fully Corrected	N/A

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF WOODMERE**

**CUYAHOGA 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 10/18/2022**

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](http://www.ohioauditor.gov)