

**VILLAGE OF ELIDA
ALLEN COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**



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KEITH FABER



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Members of Council
Village of Elida
406 E. Main Street
Elida, OH 45807

We have reviewed the *Independent Auditor's Report* of the Village of Elida, Allen County, prepared by Gueye & Associates, CPA, for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Elida is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 11, 2023

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VILLAGE OF ELIDA
ALLEN COUNTY

DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

Village of Elida
Allen County
406 E. Main Street
Elida, Ohio 45807

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Elida, Allen County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022, and December 31, 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type, and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2022, and December 31, 2021, or the changes in financial position thereof for the years then ended.

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

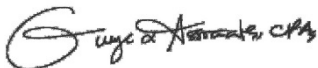
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Columbus, Ohio
June 23, 2023

Village of Elida, Ohio
Allen County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 79,926	\$ -	\$ 79,926
Municipal Income Tax	611,155	-	611,155
Intergovernmental	77,258	242,707	319,965
Fines, Licenses and Permits	29,716	-	29,716
Earnings on Investments	50	-	50
Miscellaneous	15,620	13,171	28,791
<i>Total Cash Receipts</i>	<u>813,725</u>	<u>255,878</u>	<u>1,069,603</u>
Cash Disbursements			
Current:			
Security of Persons and Property	244,487	-	244,487
Public Health Services	8,100	-	8,100
Transportation	72	125,306	125,378
General Government	239,870	-	239,870
Capital Outlay	2,583	34,242	36,825
Debt Service:			
Principal Retirement	37,816	14,795	52,611
Interest and Fiscal Charges	11,027	5,101	16,128
<i>Total Cash Disbursements</i>	<u>543,955</u>	<u>179,444</u>	<u>723,399</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>269,770</u>	<u>76,434</u>	<u>346,204</u>
Non-Operating Receipts (Disbursements)			
Transfers In	745	50,000	50,745
Transfers Out	(50,745)	-	(50,745)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(50,000)</u>	<u>50,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	219,770	126,434	346,204
<i>Fund Cash Balances, January 1</i>	<u>596,878</u>	<u>376,072</u>	<u>972,950</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 816,648</u>	<u>\$ 502,506</u>	<u>\$ 1,319,154</u>

See accompanying notes to the basic financial statements

Village of Elida, Ohio
Allen County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2022

	Proprietary Funds Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 2,328,311
<i>Total Operating Cash Receipts</i>	<i>2,328,311</i>
Operating Cash Disbursements	
Personal Services	279,608
Employee Fringe Benefits	123,034
Contractual Services	1,505,224
Supplies and Materials	269,976
Other	619
<i>Total Operating Cash Disbursements</i>	<i>2,178,461</i>
<i>Operating Income (Loss)</i>	<i>149,850</i>
Non-Operating Receipts (Disbursements)	
Loans Issued	310,679
Miscellaneous Receipts	3,790
Capital Outlay	(155,321)
Principal Retirement	(300,441)
Interest and Other Fiscal Charges	(58,520)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(199,813)</i>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	
<i>Transfers In</i>	383,099
<i>Transfers Out</i>	<i>(383,099)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(49,963)</i>
<i>Fund Cash Balances, January 1</i>	<i>2,481,898</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 2,431,935</i>

See accompanying notes to the basic financial statements

Village of Elida, Ohio
Allen County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Types
For the Year Ended December 31, 2022

	Fiduciary Funds Type
	Custodial
Additions	
Other Amounts Collected for Distribution	\$ 10,330
<i>Total Additions</i>	10,330
Deductions	
Distributions to Other Governments	3,004
Distributions to Other Funds (Primary Gov't)	7,836
<i>Total Deductions</i>	10,840
<i>Net Change in Fund Balances</i>	(510)
<i>Fund Cash Balances, January 1</i>	1,215
<i>Fund Cash Balances, December 31</i>	\$ 705

See accompanying notes to the basic financial statements

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 - Reporting Entity

The Village of Elida (the Village), Allen County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council, directs the Village. The Village provides general government services including public safety, street maintenance, mayor's court, and water and sewer facilities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Streets 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.

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

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

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

Storm Sewer Fund – The storm water fund accounts for the provision of storm water services to the residents and commercial users within the Village.

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund account accounts for the Mayor's Court activities.

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

Mayor's Court Fund This fund receives monies from collections of fines imposed from tickets issued by the Village's police force. Funds are collected in part on behalf of the State of Ohio. In addition, funds are used for safety programs and general Village operations.

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 (except certain custodial funds) be budgeted annually.

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

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

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

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 retirement, employees are entitled to cash payments for unused sick leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

Non-spendable: The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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

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

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$683,850	\$814,470	\$130,620
Special Revenue	283,687	305,878	22,191
Enterprise	3,688,329	3,025,879	(662,450)
Total	\$4,655,866	\$4,146,227	(\$509,639)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,275,703	\$599,647	\$676,056
Special Revenue	468,452	181,090	287,362
Enterprise	6,164,537	3,081,995	3,082,542
Total	\$7,908,692	\$3,862,732	\$4,045,960

Note 4 – Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2022
Cash Management Pool:	
Demand deposits	\$3,639,339
Other time deposits (savings and NOW accounts)	112,455
Total deposits	3,751,794

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.

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the village is holding \$20,456 in unremitted employee payroll withholdings.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts.

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Income Taxes

The Village levies a municipal income tax of 0.75 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village through the Cleveland Collection Agency (CCA) either monthly or quarterly as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. The Village has a contract with Cleveland Collection Agency (CCA) to collect income tax on behalf of the Village.

Note 6 - Risk Management

Workers' Compensation

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP.

Risk Pool Membership

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

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

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

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2022

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021 (latest information available).

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

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

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.
- Vehicles; and
- Errors and omissions.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Twenty-seven (27) Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System:

The Village's full-time Police Officers belong to the 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2022.

Note 8 - 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 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. 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.

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Debt

Debt outstanding at December 31, 2022 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$ 872,086	3.65%
General Obligation Notes	\$ 1,156,898	2.85%
Ohio Water Development Authority Loan	\$ 3,281,606	3.65%
Total	\$ 5,310,590	

The 2011 Ohio Water Development Authority (OWDA) water supply loan relating to the construction of an elevated water tower. Due in semiannual installments of varying amounts through 2030 at an interest rate of 3.2%.

2016 OWDA Wastewater Treatment Improvement loan. Due in semiannual installments of \$66,034.05 through 2037 at an interest rate of 0%.

2010 Ohio Public Works Commission (OPWC) for the reconstruction of Main Street Phase I. Payments are due in semiannual installments of \$6,667 through 2042 at an interest rate of 0%.

2010 Ohio Public Works Commission (OPWC) for the reconstruction of Main Street Phase II. Payments are due in semiannual installments of \$4,755.39 through 2043 at an interest rate of 0%.

2016 First Federal SR 309 Waterline Project loan. Payments are due in quarterly installments of \$13,007.44 through 2026 at an interest rate of 2.5%.

2016 First Federal loan for a Vactor Truck. Payments are due in quarterly installments of \$9,240.57 at an interest rate of 2.85%.

2017 Ottoville Bank general obligation loan for New Town Hall. Payments are due in semiannual installments of \$38,998.30 at an interest rate of 3.65%.

2018 Ohio Public Works Commission for the reconstruction of Greenlawn. The project will be part Grant and part loan. OPWC Payments are due in semiannual installments of \$8,333.33 at an interest rate of 0.00% starting in 2020 through 2049.

2018 Ohio OWDA for the reconstruction of Greenlawn. The project will be part Grant and part loan. OWDA Payments are due semiannual installments of \$12,550.23 at an interest rate of 3.03%.

2021 Ohio OWDA for the Water Tower TTHM Removal Project. The project will be part Village funded and part loan. OWDA Payments are due semiannual in installments of \$23,872.40 at an interest rate of 0.27% starting in 2023. This project is not yet complete.

2022 Ohio OWDA for the Wastewater Treatment Plan Phase 3 design. This project will be part Village funded and part loan. The interest rate is set at 3.48% and will be paid in semi-annual installments starting in 2023. This project is not yet complete.

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Amortization

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

Year Ending December 31:	OWDA Loans	General Obligation Bonds	General Obligation Loans
2023	\$ 237,674	\$ 77,997	\$ 111,717
2024	237,803	77,997	111,717
2025	237,935	77,997	111,717
2026	238,073	77,997	83,971
2027	238,214	77,997	39,511
2028-2032	1,029,875	389,983	197,554
2033-2037	719,809	350,985	197,554
2038-2042	125,502	-	197,554
2043-2047	125,502	-	97,599
2048-2052	75,301	-	41,667
Total	<u>\$ 3,265,688</u>	<u>\$ 1,130,953</u>	<u>\$ 1,190,561</u>

Note 10 – Contingent Liabilities

The Village is not currently involved in any litigation as a named Defendant or as a named Plaintiff. Furthermore, based upon the information known to the Village management as of the date of this report, it is not foreseeable/and or likely the Village will be involved in any litigation in the foreseeable future. The 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 11 – Construction and Contractual Commitments

The Village of Elida has a Water Tower THM Removal Project in progress at the water plant. As of December 31, 2022, the Village had \$678,078 in undisbursed funds related to this project. The Village also entered into a Phase III Design engineering contract for its wastewater sewer plant. As of December 31, 2022, the Village had \$499,169 in undisbursed funds related to this project.

Note 12 – Fund Balances

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

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Permanent	Total
Nonspendable:						
Unclaimed Monies	\$ 256	\$ -	\$ -	\$ -	\$ -	\$ 256
Corpus	-	-	-	-	-	-
Outstanding Encumbrances	4,947	1,648	-	-	-	6,595
Total	<u>\$ 5,203</u>	<u>\$ 1,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,851</u>

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2022

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – 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 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Village of Elida, Ohio
Allen 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

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Property and Other Local Taxes	\$ 67,330	\$ -	\$ 67,330
Municipal Income Tax	544,751	-	544,751
Intergovernmental	65,385	251,882	317,267
Fines, Licenses and Permits	30,918	-	30,918
Earnings on Investments	1,289	-	1,289
Miscellaneous	11,680	6,635	18,315
<i>Total Cash Receipts</i>	<u>721,353</u>	<u>258,517</u>	<u>979,870</u>
Cash Disbursements			
Current:			
Security of Persons and Property	216,363	-	216,363
Public Health Services	7,700	-	7,700
Transportation	594	142,918	143,512
General Government	230,107	-	230,107
Capital Outlay		97,199	97,199
Debt Service:			
Principal Retirement	48,708	17,016	65,724
Interest and Fiscal Charges	11,557	5,324	16,881
<i>Total Cash Disbursements</i>	<u>515,029</u>	<u>262,457</u>	<u>777,486</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>206,324</u>	<u>(3,940)</u>	<u>202,384</u>
Non-Operating Receipts (Disbursements)			
Transfers In	-	150,000	150,000
Transfers Out	(150,000)	-	(150,000)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(150,000)</u>	<u>150,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	56,324	146,060	202,384
<i>Fund Cash Balances, January 1</i>	<u>540,554</u>	<u>230,012</u>	<u>770,566</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 596,878</u>	<u>\$ 376,072</u>	<u>\$ 972,950</u>

See accompanying notes to the basic financial statements

Village of Elida, Ohio
Allen County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2021

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 2,229,023
<i>Total Operating Cash Receipts</i>	<i>2,229,023</i>
Operating Cash Disbursements	
Personal Services	253,462
Employee Fringe Benefits	109,025
Contractual Services	824,504
Supplies and Materials	167,104
Other	1,582
<i>Total Operating Cash Disbursements</i>	<i>1,355,677</i>
<i>Operating Income (Loss)</i>	<i>873,346</i>
Non-Operating Receipts (Disbursements)	
Loans Issued	12,383
Miscellaneous Receipts	4,560
Capital Outlay	(258,728)
Principal Retirement	(305,757)
Interest and Other Fiscal Charges	(62,643)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(610,185)</i>
<i>Net Change in Fund Cash Balances</i>	<i>263,161</i>
<i>Fund Cash Balances, January 1</i>	<i>2,218,737</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 2,481,898</i>

See accompanying notes to the basic financial statements

Village of Elida, Ohio
Allen County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Types
For the Year Ended December 31, 2021

	Fiduciary Funds Type
	Custodial
Additions	
Other Amounts Collected for Distribution	\$ 15,710
<i>Total Additions</i>	15,710
Deductions	
Distributions to Other Governments	4,173
Distributions to Other Funds (Primary Gov't)	10,647
<i>Total Deductions</i>	14,820
<i>Net Change in Fund Balances</i>	890
<i>Fund Cash Balances, January 1</i>	325
<i>Fund Cash Balances, December 31</i>	\$ 1,215

See accompanying notes to the basic financial statements

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 - Reporting Entity

The Village of Elida (the Village), Allen County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council, directs the Village. The Village provides general government services including public safety, street maintenance, mayor's court, and water and sewer facilities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Streets 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.

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

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

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

Storm Sewer Fund – The storm water fund accounts for the provision of storm water services to the residents and commercial users within the Village.

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund account accounts for the Mayor's Court activities.

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

Mayor's Court Fund This fund receives monies from collections of fines imposed from tickets issued by the Village's police force. Funds are collected in part on behalf of the State of Ohio. In addition, funds are used for safety programs and general Village operations.

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 (except certain custodial funds) be budgeted annually.

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

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

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

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 retirement, employees are entitled to cash payments for unused sick leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

Non-spendable: The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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

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

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$694,850	\$721,353	\$26,503
Special Revenue	360,433	408,517	48,084
Enterprise	3,045,418	2,246,326	(799,092)
Total	\$4,100,701	\$3,376,196	(\$724,505)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,234,429	\$669,079	\$565,350
Special Revenue	496,012	264,144	231,868
Enterprise	5,264,155	1,988,754	3,275,401
Total	\$6,994,596	\$2,921,977	\$4,072,619

Note 4 – Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2021
Cash Management Pool:	
Demand deposits	\$3,343,630
Other time deposits (savings and NOW accounts)	112,433
Total deposits	3,456,063

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.

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the village is holding \$18,714 in unremitted employee payroll withholdings.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts.

Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

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

Income Taxes

The Village levies a municipal income tax of 0.75 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village through the Cleveland Collection Agency (CCA) either monthly or quarterly as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. The Village has a contract with Cleveland Collection Agency (CCA) to collect income tax on behalf of the Village.

Note 6 - Risk Management

Workers' Compensation

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP.

Risk Pool Membership

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

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

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

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021 (latest information available).

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

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

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.
- Vehicles; and
- Errors and omissions.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Twenty-seven (27) Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

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

Ohio Police and Fire Retirement System:

The Village's full-time Police Officers belong to the 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 healthcare and survivor and disability benefits.

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

Note 8 - 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.

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Debt

Debt outstanding at December 31, 2021 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$ 917,002	3.65%
General Obligation Notes	\$ 1,260,568	0% - 2.85%
Ohio Water Development Authority Loan	\$ 3,175,393	0% - 3.20%
Total	\$ 5,352,963	

The 2011 Ohio Water Development Authority (OWDA) water supply loan relating to the construction of an elevated water tower. Due in semiannual installments of varying amounts through 2030 at an interest rate of 3.2%.

2016 OWDA Wastewater Treatment Improvement loan. Due in semiannual installments of \$66,034.05 through 2037 at an interest rate of 0%.

2010 Ohio Public Works Commission (OPWC) for the reconstruction of Main Street Phase I. Payments are due in semiannual installments of \$6,667 through 2042 at an interest rate of 0%.

2010 Ohio Public Works Commission (OPWC) for the reconstruction of Main Street Phase II. Payments are due in semiannual installments of \$4,755.39 through 2043 at an interest rate of 0%.

2016 First Federal SR 309 Waterline Project loan. Payments are due in quarterly installments of \$13,007.44 through 2026 at an interest rate of 2.5%.

2016 First Federal loan for a Vactor Truck. Payments are due in quarterly installments of \$9,240.57 at an interest rate of 2.85%.

2017 Ottoville Bank general obligation loan for New Town Hall. Payments are due in semiannual installments of \$38,998.30 at an interest rate of 3.65%.

2018 Ohio Public Works Commission for the reconstruction of Greenlawn. The project will be part Grant and part loan. OPWC Payments are due in semiannual installments of \$8,333.33 at an interest rate of 0.00% starting in 2020 through 2049.

2018 Ohio OWDA for the reconstruction of Greenlawn. The project will be part Grant and part loan. OWDA Payments are due semiannual installments of \$12,550.23 at an interest rate of 3.03%.

2021 Ohio OWDA for the Water Tower TTHM Removal Project. The project will be part Village funded and part loan. OWDA Payments are due semiannual in installments of \$23,872.40 at an interest rate of 0.27% starting in 2023. This project is not yet complete.

In the prior year, the balances of the General Obligation bonds were overstated by \$8, and the balances of the General Obligation notes were overstated by \$18.

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Amortization

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

Year Ending December 31:	OWDA Loans	General Obligation Bonds	General Obligation Loans
2022	\$ 237,549	\$ 77,997	\$ 91,961
2023	237,674	77,997	111,717
2024	237,803	77,997	111,717
2025	237,935	77,997	111,717
2026	238,073	77,997	83,971
2027-2031	1,110,920	389,983	197,554
2032-2036	785,843	389,983	197,554
2037-2041	191,536	38,998	197,554
2042-2046	125,502	-	120,443
2047-2051	100,402	-	58,334
Total	<u>\$ 3,503,237</u>	<u>\$ 1,208,947</u>	<u>\$ 1,282,521</u>

Note 10 – Contingent Liabilities

The Village is not currently involved in any litigation as a named Defendant or as a named Plaintiff. Furthermore, based upon the information known to the Village management as of the date of this report, it is not foreseeable/and or likely the Village will be involved in any litigation in the foreseeable future. The 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 11 – Construction and Contractual Commitments

The Village of Elida has a Water Tower THM Removal Project in progress at the water plant. As of December 31, 2021, the Village had \$916,446 in undisbursed funds related to this project.

Note 12 – Fund Balances

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

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Permanent	Total
Nonspendable:						
Unclaimed Monies	\$ 975	\$ -	\$ -	\$ -	\$ -	\$ 975
Corpus	-	-	-	-	-	-
Outstanding Encumbrances	4,050	1,687	-	-	-	5,737
<i>Total</i>	<u>\$ 5,025</u>	<u>\$ 1,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,712</u>

Village of Elida, Ohio
Allen County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – COVID-19

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



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

Village of Elida
Allen County
406 E. Main Street
Elida, Ohio 45807
To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type, and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Elida, Allen County (the Village) and have issued our report thereon dated June 23, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item No. 2022-001 that we consider to be a material weakness.

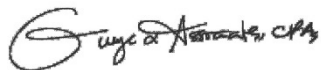
Village of Elida
Allen County
Independent Auditor's Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

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

Purpose of this Report

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



Columbus, Ohio
June 23, 2023

VILLAGE OF ELIDA
ALLEN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2022-001

Material Weakness – Accuracy of Financial Reporting

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

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Ohio Village Handbook provides suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications will provide the Village with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

The Village did not properly post all receipts and expenditures. Amounts were not always posted to the correct fund and/or line item. The following errors were noted:

We noted the following in 2021:

- Homestead Rollbacks revenues in the amounts of \$10,288 were recorded as Property and Other Local Taxes, instead of Intergovernmental Revenues, in the General Fund.
- Principal payments of \$2,500 were recorded as interest payments in the Street Construction Maintenance and Repair Fund.
- Capital interests of \$11 and loan fees of \$12,372 for a new debt were not recorded in the Water Fund.
- Mayor's Court revenues of \$15,710 were improperly recorded in the General Fund as fines, licenses, and permits receipts and Mayor's Court disbursements of \$ 14,820 were improperly recorded as general government disbursements.

We noted the following in 2022:

- Homestead Rollbacks revenues in the amounts of \$11,593 were recorded as Property and Other Local Taxes, instead of Intergovernmental Revenues, in the General Fund.
- Capitalized interests of \$569, and new loan fees of \$1,991 were not recorded, and new loan issuance proceeds were recorded as Other Financing Sources in lieu of Proceeds from the Issuance of Loans.
Mayor's Court revenues of \$10,330 were improperly recorded in the General Fund as fines, licenses, and permits receipts and Mayor's Court disbursements of \$ 10,840 were improperly recorded as general government disbursements.

VILLAGE OF ELIDA
ALLEN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2021-001
(Continued)

Material Weakness – Accuracy of Financial Reporting (Continued)

The 2021 and 2022 notes to the financial statements also had errors such as, but not limited to, errors in the budgetary notes and the debt amortization table.

Audit adjustments, which were agreed by management, are reflected in the financial statements correcting the misstatement. Adjustments were not required to be made to the accounting records since there was not an impact on fund balances at December 31, 2022.

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

Officials' Response:

We did not receive a response from Officials to the findings reported above.

Village of Elida

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEARS ENDED DECEMBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status	Additional Information
2020-01	Material Weakness: Accuracy of Financial Reporting	Not Corrected	Reissued as Finding # 2022-01

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ELIDA

ALLEN 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 7/25/2023

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

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