



**VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY
DECEMBER 31, 2022 AND 2021**

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INDEPENDENT AUDITOR'S REPORT

Village of Holiday City
Williams County
13918 County Road M
Holiday City, Ohio 43543-9785

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 Holiday City, Williams County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2022 and 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 as of and for the years ended December 31, 2022 and 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 2021, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 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.



Keith Faber
Auditor of State
Columbus, Ohio

August 24, 2023

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**VILLAGE OF HOLIDAY CITY
WILLIAMS 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	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$563,732				\$563,732
Intergovernmental	22,369	\$8,286			30,655
Charges for Services	1,800				1,800
Fines, Licenses and Permits	60	175			235
Earnings on Investments	59,582	313			59,895
Miscellaneous	15,785				15,785
<i>Total Cash Receipts</i>	<u>663,328</u>	<u>8,774</u>			<u>672,102</u>
Cash Disbursements					
Current:					
Security of Persons and Property	30,383	175			30,558
General Government	164,331				164,331
Capital Outlay	30,574				30,574
Debt Service:					
Principal Retirement			\$32,927		32,927
Interest and Fiscal Charges			2,925		2,925
<i>Total Cash Disbursements</i>	<u>225,288</u>	<u>175</u>	<u>35,852</u>		<u>261,315</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>438,040</u>	<u>8,599</u>	<u>(35,852)</u>		<u>410,787</u>
Other Financing Receipts (Disbursements)					
Transfers In			35,852		35,852
Transfers Out	(268,970)				(268,970)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(268,970)</u>		<u>\$35,852</u>		<u>(233,118)</u>
<i>Net Change in Fund Cash Balances</i>	169,070	8,599			177,669
<i>Fund Cash Balances, January 1</i>	<u>1,842,996</u>	<u>13,762</u>		<u>\$193,416</u>	<u>2,050,174</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,012,066</u>	<u>\$22,361</u>		<u>\$193,416</u>	<u>\$2,227,843</u>

See accompanying notes to the basic financial statements

**VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY**

**Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type
For the Year Ended December 31, 2022**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$8,424,302
Operating Cash Disbursements	
Fringe Benefits	72
Contractual Services	8,862,096
Supplies and Materials	2,439
Other	3,401
<i>Total Operating Cash Disbursements</i>	8,868,008
<i>Operating Loss</i>	(443,706)
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	711
Sale of Notes	1,460,000
Premium and Accrued Interest on Debt	12,279
Miscellaneous Receipts	1,530
Capital Outlay	(143,637)
Principal Retirement	(1,570,000)
Interest and Other Fiscal Charges	(15,918)
<i>Total Non-Operating Receipts (Disbursements)</i>	(255,035)
<i>Loss before Transfers</i>	(698,741)
Transfers In	233,118
<i>Net Change in Fund Cash Balance</i>	(465,623)
<i>Fund Cash Balances, January 1</i>	2,021,946
<i>Fund Cash Balances, December 31</i>	\$1,556,323

See accompanying notes to the basic financial statements

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2022**

Note 1 – Reporting Entity

The Village of Holiday City, Williams County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The mayor is elected to a four-year term and votes only to break a tie. The Village provides electricity and contracts with the Village of Montpelier Police department to provide security of persons and property.

A. Primary Government

The primary government consists of all funds and departments that are not legally separate from the Village. The Village provides general government services, electric utility, and contracted maintenance of Village roads and bridges.

B. Public Entity Risk Pools and Joint Venture

The Village participates in the Ohio Plan Risk Management Inc. and Ohio Municipal League Group Rating Plan (GRP) a public entity risk pool, and Ohio Municipal Electric Generation Agency (OMEGA) JV-4, a Joint Venture. Notes 6, 12, and 14 to the financial statements provide 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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types which are all organized on a fund type basis.

Fund Accounting

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

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

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

**Village of Holiday City
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**Notes to the Financial Statements
For the Year Ended December 31, 2022**

Street Construction Maintenance and Repair 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.

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 Fund:

Note Retirement – New Village Hall 2003 The Note Retirement-New Village Hall (2003) fund receives monies transferred from the General Fund for loan payments.

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

Water Tower Major Repair Fund The Water Tower Major Repair fund accounts for monies Village Council set aside for major repairs of the Village’s water tower.

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 Fund:

Electric Operating Fund The Electric Operating fund accounts for the provision of electric service to the residents and commercial users located within the Village.

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 or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2022**

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 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.

The Village's 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.

Fund Balance

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

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

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

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

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

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2022**

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 16.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$571,858	\$663,328	\$91,470
Special Revenue	5,921	8,774	2,853
Debt Service	35,852	35,852	
Enterprise	10,043,948	10,131,940	87,992
Total	\$10,657,579	\$10,839,894	\$182,315

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$880,000	\$512,258	\$367,742
Special Revenue	14,175	175	14,000
Debt Service	35,852	35,852	
Capital Projects	100,000	11,290	88,710
Enterprise	11,001,360	10,986,780	14,580
Total	\$12,031,387	\$11,546,355	\$485,032

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The Village also has segregated accounts which include clearing accounts and amounts with fiscal and escrow agents that are not part of this pool. A summary of the Village’s deposit and investment accounts are as follows:

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2022**

	<u>2022</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$3,596,022
STAR Ohio	<u>188,144</u>
Total carrying amount of deposits and investments held in the Pool	<u><u>\$3,784,166</u></u>
<i>Segregated Accounts - Not held in the Pool:</i>	
Retainage Accounts	<u><u>\$65,988</u></u>

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 not holding any unremitted employee payroll withholdings.

The Village also has accounts held outside of the deposit pool for retainage related to construction contracts and for monies held in accordance with debt agreements.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Taxes

Property Taxes

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

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

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

Note 6 – Risk Management

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.

**Village of Holiday City
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**Notes to the Financial Statements
For the Year Ended December 31, 2022**

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 is 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.

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 (15,037,383)
Members' Equity \$6,740,056

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

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 insures that each participant shares equally in the overall performance of the GRP. Sedgwick provides administrative, cost control and actuarial services to the GRP.

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

The Ohio Revised Code 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, 2022.

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2022**

Note 8 – Postemployment Benefits

OPERS offers 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.

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	\$35,000	4.50%
AMP Bond Anticipation Note '22	\$1,460,000	3%
Total	\$1,495,000	

The general obligation bonds are supported by the full faith and credit of the Village and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. The bonds were issued to finance construction of the town hall with final maturity in 2023.

The Village’s short-term debt activity involved the repayment of 2021’s \$1,570,000 BAN and the issuance of a \$1,460,000 Electric System Improvement Bond Anticipation Note for interim financing of the Selwyn Dr. Substation Project. The Village participated in the American Municipal Power, Inc. “On behalf of Financing Program and the Ohio Treasurer of State’s Ohio Market Access Program (OMAP) to obtain financing at an interest rate of 3 percent. The Note has a maturity date of April 27, 2023. The note can be rolled over annually for 20 years. Monies collected as revenues of the electric system will be used to finance these payments.

Amortization

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

Year Ending		
December 31:	G.O. Bonds	Substation BAN
2023	\$36,575	\$1,504,287

**Village of Holiday City
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**Notes to the Financial Statements
For the Year Ended December 31, 2022**

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation.

Note 10 – Interfund Transactions

During 2022 the following transfers were made:

Transfers from the General Fund to:	
Note Retirement – New Village Hall 2003	\$32,925
OPWC Loan Retirement Fund	2,927
Electric Fund	<u>233,118</u>
Total Transfers from the General Fund	<u>\$268,970</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 11 – Construction and Contractual Commitments

In 2022, the Village received bid proposals from four qualified bidders in answer to an advertisement for Feeder 1-2 Installation and 12kV Distribution Poleline Construction. The lowest and best bid was \$737,791. There were three change orders in 2022 increasing the project cost in the amount of \$240,068. The project was funded from the Electric Fund, with the exception of a transfer from the General Fund to cover the cost of the first change order. That transfer appears in Note 10. The project began in April 2022 and is expected to be finished by April 2023.

Note 12 – Joint Ventures

The Village has a contract with American Municipal Power, Inc. (AMP) to provide electric power and energy for its municipal electric system. This service is transmitted to the Village through a joint venture of four subdivisions located within Williams County. This joint venture is known as Ohio Municipal Electric Generation Agency Joint Venture (OMEGA JV4).

OMEGA JV4 owns a 69 kV sub-transmission line located in Williams County, Ohio that electrically connects Members Bryan, Montpelier, and Pioneer, providing additional reliability to their Electric Systems and the ability to make power sales to one industrial customer. AMP constructed the initial phase of the line in 1995 and then transferred title to the participants in December 1995 at no markup of its cost. OMEGA JV4 has no debt. Complete financial statements for OMEGA JV4 may be obtained from AMP or from the State Auditor’s website at www.ohioauditor.gov.

AMP bills the Village for all electric power and energy purchased through this agreement. It also prepares the billing on behalf of the Village for an industrial customer located within the Village. This customer remits the payment to the Village. In 2022, as a result of this contract, the Village paid \$7,943,107 to AMP.

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2022**

Note 13 – Purchased Power

The Village's electric distribution system during 2022 purchased wholesale electric power from American Municipal Power (AMP). AMP provides this power through a mixture of long term take or pay purchase contracts with the Village. Included in these contracts with AMP are; the Prairie State Energy Campus Project (995 kilowatts), generation started during 2012, and Fremont Natural Gas Energy Center (1,530 kilowatts), generation started in 2012. AMP provides the remaining power requirements with market-based purchases from various sources including DG AMP Solar, Blue Creek Wind Farm, and other pooled market sources.

Note 14 – Public Entity Risk Pool

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

Note 15 – Tax Abatements

As of December 31, 2022, the Village provides tax incentives under one program, the Enterprise Zone Program.

Enterprise Zone Program

The Village was part of multiple Enterprise Zone (EZ) tax abatement agreements with two local businesses. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. Taxes can be abated up to 100% for up to 15 years. The Village's abatements are for 15 years or less and are 100% abated. The total value of real property subject to exemption for 2022 was \$70,498,700. The total value of taxes abated for 2022 was \$39,479.

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2022**

Note 16 – 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:

<u>Fund Balances</u>	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$18,000</u>	<u>\$11,290</u>	<u>\$29,290</u>

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

Note 17 – Miscellaneous Revenue

General Fund miscellaneous receipts primarily consisted of farmland and Estle land rental payments.

**VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY**

**Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types
For the Year Ended December 31, 2021**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$584,372				\$584,372
Intergovernmental	19,669	\$6,608			26,277
Charges for Services	900				900
Fines, Licenses and Permits	24	245			269
Earnings on Investments	9,524	41			9,565
Miscellaneous	28,809				28,809
<i>Total Cash Receipts</i>	<u>643,298</u>	<u>6,894</u>			<u>650,192</u>
Cash Disbursements					
Current:					
Security of Persons and Property	29,464	245			29,709
Transportation		27,849			27,849
General Government	188,937				188,937
Capital Outlay	456,124			\$1,229	457,353
Debt Service:					
Principal Retirement			\$35,853		35,853
Interest and Fiscal Charges			4,275		4,275
<i>Total Cash Disbursements</i>	<u>674,525</u>	<u>28,094</u>	<u>40,128</u>	<u>1,229</u>	<u>743,976</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(31,227)</u>	<u>(21,200)</u>	<u>(40,128)</u>	<u>(1,229)</u>	<u>(93,784)</u>
Other Financing Receipts (Disbursements)					
Transfers In			40,128		40,128
Transfers Out	(40,128)				(40,128)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(40,128)</u>		<u>\$40,128</u>		
<i>Net Change in Fund Cash Balances</i>	<u>(71,355)</u>	<u>(21,200)</u>		<u>(1,229)</u>	<u>(93,784)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,914,351</u>	<u>34,962</u>		<u>194,645</u>	<u>2,143,958</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,842,996</u>	<u>\$13,762</u>		<u>\$193,416</u>	<u>\$2,050,174</u>

See accompanying notes to the basic financial statements

**VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY**

**Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type
For the Year Ended December 31, 2021**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$7,859,530
Operating Cash Disbursements	
Fringe Benefits	65
Contractual Services	7,663,430
Supplies and Materials	12,558
Other	3,229
<i>Total Operating Cash Disbursements</i>	7,679,282
<i>Operating Income</i>	180,248
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	698
Sale of Notes	1,570,000
Premium and Accrued Interest on Debt	12,387
Capital Outlay	(65,638)
Principal Retirement	(1,680,000)
Interest and Other Fiscal Charges	(50,960)
<i>Total Non-Operating Receipts (Disbursements)</i>	(213,513)
<i>Net Change in Fund Cash Balance</i>	(33,265)
<i>Fund Cash Balances, January 1</i>	2,055,211
<i>Fund Cash Balances, December 31</i>	\$2,021,946

See accompanying notes to the basic financial statements

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

Note 1 – Reporting Entity

The Village of Holiday City, Williams County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The mayor is elected to a four-year term and votes only to break a tie. The Village provides electricity and contracts with the Village of Montpelier Police department to provide security of persons and property.

A. Primary Government

The primary government consists of all funds and departments that are not legally separate from the Village. The Village provides general government services, electric utility, and contracted maintenance of Village roads and bridges.

B. Public Entity Risk Pools and Joint Venture

The Village participates in the Ohio Plan Risk Management Inc. and Ohio Municipal League Group Rating Plan (GRP), public entity risk pools, and Ohio Municipal Electric Generation Agency (OMEGA) JV-4, a Joint Venture. Notes 6, 11, and 13 to the financial statements provide 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, and a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for all proprietary fund types which are all organized on a fund type basis.

Fund Accounting

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

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

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

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

Street Construction Maintenance and Repair 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.

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 Fund:

Note Retirement – New Village Hall 2003 The Note Retirement-New Village Hall (2003) fund receives monies transferred from the General Fund for loan payments.

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

Village Hall Building Addition Project 2020 Fund The Village Hall Building Addition Project 2020 fund accounts for monies used during the construction of the Village Hall renovation and addition.

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 Fund:

Electric Operating Fund The Electric Operating fund accounts for the provision of electric service to the residents and commercial users located within the Village.

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 or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

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 3.

Deposits and Investments

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

The Village's 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.

Fund Balance

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

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

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

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

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

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

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 – 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	\$546,522	\$643,298	\$96,776
Special Revenue	6,825	6,894	69
Debt Service	40,128	40,128	
Enterprise	9,270,830	9,442,615	171,785
Total	\$9,864,305	\$10,132,935	\$268,630

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$880,000	\$762,403	\$117,597
Special Revenue	30,245	28,094	2,151
Debt Service	40,128	40,128	
Capital Projects	101,229	1,229	100,000
Enterprise	9,730,450	9,551,714	178,736
Total	\$10,782,052	\$10,383,568	\$398,484

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The Village also has segregated accounts which include clearing accounts and amounts with fiscal and escrow agents that are not part of this pool. A summary of the Village’s deposit and investment accounts are as follows:

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$3,887,141
STAR Ohio	184,979
Total carrying amount of deposits and investments held in the Pool	\$4,072,120

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

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 not holding any unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Taxes

Property Taxes

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

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

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

Note 6 – Risk Management

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 is 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 Holiday City
Williams 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.

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.

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 insures that each participant shares equally in the overall performance of the GRP. Sedgwick provides administrative, cost control and actuarial services to the GRP.

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

The Ohio Revised Code 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.

Note 8 – Postemployment Benefits

OPERS offers 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.

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$65,000	4.50%
AMP Bond Anticipation Note '22	1,570,000	3%
Ohio Public Works Commission Loan	2,927	0%
Total	<u>\$1,637,927</u>	

The general obligation bonds are supported by the full faith and credit of the Village and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. The bonds were issued to finance construction of the town hall with final maturity in 2023.

The 2002 Ohio Public Works Commission (OPWC) loan relates to a water and sewer line extension project to a local business. The loan is repaid in semiannual installments over 20 years. Money is transferred from the General Fund each year to cover the OPWC debt service requirements.

The Village’s short-term debt activity involved the repayment of 2020’s \$1,680,000 BAN and the issuance of a \$1,570,000 Electric System Improvement Bond Anticipation Note for interim financing of the Selwyn Dr. Substation Project. The Village participated in the American Municipal Power, Inc. “On behalf of Financing Program and the Ohio Treasurer of State’s Ohio Market Access Program (OMAP) to obtain financing at an interest rate of 3 percent. The Note has a maturity date of April 28, 2022. The note can be rolled over annually for 20 years. Monies collected as revenues of the electric system will be used to finance these payments.

Amortization

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

<u>Year Ending December 31:</u>	<u>G.O. Bonds</u>	<u>OPWC Loan</u>	<u>Substation BAN</u>
2022	\$32,925	\$2,927	\$1,585,918
2023	36,575		
Total	<u>\$69,500</u>	<u>\$2,927</u>	<u>\$1,585,918</u>

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation.

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

Note 10 – Interfund Transactions

During 2021 the following transfers were made:

Transfers from the General Fund to:	
Note Retirement – New Village Hall 2003	\$34,275
OPWC Loan Retirement Fund	<u>5,853</u>
Total Transfers from the General Fund	<u>\$40,128</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 11 – Joint Ventures

The Village has a contract with American Municipal Power, Inc. (AMP) to provide electric power and energy for its municipal electric system. This service is transmitted to the Village through a joint venture of four subdivisions located within Williams County. This joint venture is known as Ohio Municipal Electric Generation Agency Joint Venture (OMEGA JV4).

OMEGA JV4 owns a 69 kV sub-transmission line located in Williams County, Ohio that electrically connects Members Bryan, Montpelier, and Pioneer, providing additional reliability to their Electric Systems and the ability to make power sales to one industrial customer. AMP constructed the initial phase of the line in 1995 and then transferred title to the participants in December 1995 at no markup of its cost. OMEGA JV4 has no debt. Complete financial statements for OMEGA JV4 may be obtained from AMP or from the State Auditor’s website at www.ohioauditor.gov.

AMP bills the Village for all electric power and energy purchased through this agreement. It also prepares the billing on behalf of the Village for an industrial customer located within the Village. This customer remits the payment to the Village. In 2021, as a result of this contract, the Village paid \$7,415,596 to AMP.

Note 12 – Purchased Power

The Village's electric distribution system during 2021 purchased wholesale electric power from American Municipal Power (AMP). AMP provides this power through a mixture of long term take or pay purchase contracts with the Village. Included in these contracts with AMP are; the Prairie State Energy Campus Project (995 kilowatts), generation started during 2012, and Fremont Natural Gas Energy Center (1,530 kilowatts), generation started in 2012. AMP provides the remaining power requirements with market-based purchases from various sources including DG AMP Solar, Blue Creek Wind Farm, and other pooled market sources.

Note 13 – Public Entity Risk Pool

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

**Village of Holiday City
Williams County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

Note 14 – Tax Abatements

As of December 31, 2021, the Village provides tax incentives under one program, the Enterprise Zone Program.

Enterprise Zone Program

The Village was part of multiple Enterprise Zone (EZ) tax abatement agreements with two local businesses. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. Taxes can be abated up to 100% for up to 15 years. The Village’s abatements are for 15 years or less and are 100% abated. The total value of real property subject to exemption for 2021 was \$70,498,680. The total value of taxes abated for 2021 was \$39,479.

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:

<u>Fund Balances</u>	<u>General</u>
Outstanding Encumbrances	<u><u>\$47,750</u></u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects fund is restricted committed or assigned. In the general fund, outstanding encumbrances are considered assigned.

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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 Holiday City
Williams County
13918 County Road M
Holiday City, Ohio 43543-9785

To 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements of the Village of Holiday City, Williams County, Ohio, (the Village) and have issued our report thereon dated August 24, 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 purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

August 24, 2023

**VILLAGE OF HOLIDAY CITY
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2022-001

Material Weakness – Monitoring of Utility Bills

All public officials are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance regarding the achievement of objectives for their respective public offices. When designing the public office's system of internal control and the specific control activities, management should consider monitoring the activities performed by service organizations.

The Village has a contract with American Municipal Power – Ohio (AMP-Ohio) to provide electric power and energy for its municipal electric system. As part of this agreement, AMP-Ohio also prepares the billing for an industrial customer located within the Village on behalf of the Village.

The Village does not have procedures to monitor the billing process handled by AMP-Ohio. These billings account for 59 percent of the total revenues recorded in the Electric Operating Fund during the audit period.

Failure to monitor these billings could result in errors which might go undetected.

Management should establish and implement procedures that will monitor the billing process of utility customers to help ensure the correct amount is billed. Management should consider taking steps to verify that the usages billed along with rates used to determine amounts due are correct.

Officials' Response:

We did not receive a response from Officials to this finding.



VILLAGE OF HOLIDAY CITY

Incorporated 1997

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Finding first reported in 2007. Material weakness for monitoring of utility bills.	Not corrected and reissued as Finding 2022-001 in this report.	Additional errors occurred and were not detected by the Village. Management is aware and understands the importance of maintaining a strong control environment regarding the monitoring of the billing process and will ensure to put controls in place.
2020-002	Material Weakness for GASB 54 classification errors.	Fully corrected.	
2020-003	Finding for recovery repaid under audit for overpayment of salaries.	Fully corrected.	

MAYOR:
Pamela Clark

COUNCIL:
Cooper Clark
Shawn Clark
Jodie Faunce
Chelsea Funk
Jarrett Funk
Beau Zuver

FISCAL OFFICER:
Lauri TenEyck-Rupp

ADMINISTRATOR:
Blair Campbell

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF HOLIDAY CITY

WILLIAMS 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 9/5/2023

88 East Broad Street, Columbus, Ohio 43215
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