



**VILLAGE OF WHITEHOUSE
LUCAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022-2021

VILLAGE OF WHITEHOUSE
LUCAS COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2022.....	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Proprietary Fund Types For the Year Ended December 31, 2022.....	6
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) All Fiduciary Fund Types For the Year Ended December 31, 2022.....	7
Notes to the Financial Statements For the Year Ended December 31, 2022	8
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2021.....	21
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Proprietary Fund Types For the Year Ended December 31, 2021.....	22
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) All Fiduciary Fund Types For the Year Ended December 31, 2021.....	23
Notes to the Financial Statements For the Year Ended December 31, 2021	24
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	39
Schedule of Findings.....	41
Summary Schedule of Prior Audit Findings (prepared by management)	42

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INDEPENDENT AUDITOR'S REPORT

Village of Whitehouse
Lucas County
P.O. Box 2476
6925 Providence Street
Whitehouse, Ohio 43571-2476

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 Whitehouse, Lucas 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 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 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 year 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 9, 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 9, 2023

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Village of Whitehouse
Lucas 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	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$458,282	\$458,356			\$916,638
Municipal Income Tax	2,350,803			\$1,007,499	3,358,302
Intergovernmental	670,235	615,448		198,936	1,484,619
Special Assessments			\$30,615		30,615
Charges for Services	606,587	970,034			1,576,621
Fines, Licenses and Permits	116,506				116,506
Earnings on Investments	80,275	10			80,285
Miscellaneous	105,184	2,421		29,706	137,311
<i>Total Cash Receipts</i>	<u>4,387,872</u>	<u>2,046,269</u>	<u>30,615</u>	<u>1,236,141</u>	<u>7,700,897</u>
Cash Disbursements					
Current:					
Security of Persons and Property	2,467,301	1,415,708			3,883,009
Leisure Time Activities	67,225				67,225
Community Environment	154,762				154,762
Basic Utility Services	317,897				317,897
Transportation		223,865			223,865
General Government	511,427	160,600	18,705	201,116	891,848
Capital Outlay				1,265,958	1,265,958
Debt Service:					
Principal Retirement		53,873	245,681		299,554
Interest and Fiscal Charges			61,097		61,097
<i>Total Cash Disbursements</i>	<u>3,518,612</u>	<u>1,854,046</u>	<u>325,483</u>	<u>1,467,074</u>	<u>7,165,215</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>869,260</u>	<u>192,223</u>	<u>(294,868)</u>	<u>(230,933)</u>	<u>535,682</u>
Other Financing Receipts (Disbursements)					
Loans Issued				826,084	826,084
Sale of Capital Assets				26,314	26,314
Transfers In	29,576	260,000	295,565	725,245	1,310,386
Transfers Out	(352,220)			(946,969)	(1,299,189)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(322,644)</u>	<u>260,000</u>	<u>295,565</u>	<u>630,674</u>	<u>863,595</u>
<i>Net Change in Fund Cash Balances</i>	546,616	452,223	697	399,741	1,399,277
<i>Fund Cash Balances, January 1</i>	<u>1,400,671</u>	<u>1,498,529</u>	<u>55,899</u>	<u>1,165,338</u>	<u>4,120,437</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,947,287</u>	<u>\$1,950,752</u>	<u>\$56,596</u>	<u>\$1,565,079</u>	<u>\$5,519,714</u>

See accompanying notes to the basic financial statements

Village of Whitehouse
Lucas 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 Fund Types
	Enterprise
Operating Cash Receipts	
Charges for Services	\$2,513,199
Miscellaneous	2,865
<i>Total Operating Cash Receipts</i>	<i>2,516,064</i>
Operating Cash Disbursements	
Personal Services	511,818
Employee Fringe Benefits	167,930
Contractual Services	1,164,230
Supplies and Materials	61,007
Other	1,361
<i>Total Operating Cash Disbursements</i>	<i>1,906,346</i>
<i>Operating Income</i>	<i>609,718</i>
Non-Operating Disbursements	
Capital Outlay	(127,258)
Principal Retirement	(202,313)
Interest and Other Fiscal Charges	(42,464)
<i>Total Non-Operating Disbursements</i>	<i>(372,035)</i>
<i>Income before Transfers</i>	<i>237,683</i>
Transfers In	123,612
Transfers Out	(134,809)
<i>Net Change in Fund Cash Balances</i>	<i>226,486</i>
<i>Fund Cash Balances, January 1</i>	<i>3,041,368</i>
<i>Fund Cash Balances, December 31</i>	<i>\$3,267,854</i>

See accompanying notes to the basic financial statements

Village of Whitehouse
Lucas County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2022

	Fiduciary Fund Type
	Other Custodial
Additions	
Property and Other Local Taxes Collected for Distribution	\$3,779,827
Deductions	
Distributions as Fiscal Agent	2,473,157
<i>Net Change in Fund Balances</i>	1,306,670
<i>Fund Cash Balances, January 1</i>	1,001,294
<i>Fund Cash Balances, December 31</i>	\$2,307,964

See accompanying notes to the basic financial statements

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 - Reporting Entity

The Village of Whitehouse (the Village), Lucas County, Ohio, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police, fire, and life squad services.

Jointly Governed Organizations

The Village participates in jointly governed organizations. Notes 12 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 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 Funds:

Life Squad This fund receives revenue from Lucas County for life squad services.

Fire Levy This fund receives revenue from property taxes and Waterville Township to provide fire services.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

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

General Obligation Bond Fund This fund receives Income Tax Fund proceeds to repay debt incurred for the construction and equipping of a new municipal building.

Note Retirement Fund This fund receives transfers from the Income Tax A Fund to repay debt incurred for the construction of the State Route 64/Finzel Road Roundabout.

Fire Debt Retirement Fund This fund receives transfers from the Income Tax A Fund to repay debt incurred for the lease of a new fire truck.

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:

Income Tax A Fund This fund receives local income tax revenue for capital projects.

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.

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

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 funds account for income tax receipts collected by the Village and the related distributions for the Monclova Township-Village of Whitehouse JEDD and the Spencer Township-Village of Whitehouse JEDZ.

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.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

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. Unencumbered appropriations lapse at year end.

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

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

A summary of 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 values U.S. Treasury Notes at cost. Money market mutual funds are recorded at share values the mutual funds report. 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.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Accumulated Leave

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

Fund Balance

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

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

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

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

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

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

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned 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 14.

Note 3 - Budgetary Activity

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

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,199,514	\$4,417,448	\$217,934
Special Revenue	1,824,210	2,306,269	482,059
Debt Service	390,499	326,180	(64,319)
Capital Projects	4,325,442	2,813,784	(1,511,658)
Enterprise	2,611,000	2,639,676	28,676
Total	\$13,350,665	\$12,503,357	(\$847,308)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,218,546	\$3,885,903	\$332,643
Special Revenue	1,982,426	1,864,476	117,950
Debt Service	331,547	325,483	6,064
Capital Projects	3,676,290	2,876,431	799,859
Enterprise	2,610,766	2,416,949	193,817
Total	\$12,819,575	\$11,369,242	\$1,450,333

Note 4 - Deposits and Investments

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

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$7,804,157
U.S. Treasury Notes	2,557,262
STAR Ohio	714,497
Special Assessment Bonds	19,616
Total investments	3,291,375
Total Deposits and Investments	<u>\$11,095,532</u>

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statement reflect gross payroll. The balance in the Village's payroll clearing account represent 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.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Deposits

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

Investments

The Federal Reserve holds the Village's U.S. Treasury Notes in book-entry form by, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities.

A financial institution's trust department holds the Village's equity securities in book-entry form in the Village's name.

Investments in STAR Ohio and mutual funds 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.

Income Taxes

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 6 - Risk Management

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

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

The Ohio Revised Code 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.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2022.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

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.

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2013 General Obligation Bonds, Series	\$635,000	1.00%
Ohio Water Development Authority Loan, #5533	141,640	2.75%
Ohio Water Development Authority Loan, #9230	2,484,390	0.30%
Ohio Public Works Commission Loan #CT45N	195,487	0.00%
Ohio Public Works Commission Loan #CL06V	71,519	0.00%
Ohio Public Works Commission Loan #CT56P	8,812	0.00%
Ohio Public Works Commission Loan #CT23Q	13,548	0.00%
Ohio Public Works Commission Loan #CL17T	79,600	0.00%
Ohio Public Works Commission Loan #CL26V	63,919	0.00%
PNC Equipment Financing	520,755	2.94%
State Infrastructure Bank	676,336	3.00%
Republic First National Corp.	6,110	4.04%
Special Assessment Bond, S. Berkey-South Sewer	3,046	3.75%
Special Assessment Bond, S. Berkey-South Water	3,748	3.75%
Special Assessment Bond, Waterville St Recon	12,742	3.75%
Total	<u>\$4,916,652</u>	

The 2013 General Obligation Bonds relate to the refinancing of bonds originally issued in 2002 for the construction and equipping of a new municipal building. The refinanced bonds were issued for \$1,720,000 at a variable rate not to exceed 3.00 percent interest, payable semiannually over 15 years.

The Ohio Water Development Authority (OWDA) loan #5533 relates to a sewer utility construction project on Dutch Road. OWDA approved a \$273,544 loan to the Village for this project. The loan will be repaid in semiannual installments over 20 years, including interest of 2.75 percent. The loan is collateralized by water and sewer receipts.

The Ohio Water Development Authority (OWDA) loan #9230 relates to a sewer line upgrade project for the entire Village \$826,084 was issued during 2022. As of December 31, 2022, this project is not closed.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

The Ohio Public Works Commission (OPWC) loan #CT45N relates to the Downtown Water and Storm Sewer project. OPWC loaned the Village \$390,974. The Village will repay the loan in semiannual installments of \$9,774 over 20 years. The loan is collateralized by undivided local government funds.

The Ohio Public Works Commission (OPWC) loan #CL06V relates to the Rupp Road and Technology Drive project. OPWC loaned the Village \$110,030. The Village will repay the loan in semiannual installments of \$11,003 over 10 years. The loan is collateralized by undivided local government funds.

The Ohio Public Works Commission (OPWC) loan #CT56P relates to the Texas Street Phase I reconstruction project. OPWC loaned money to the Village and Whitehouse's principal portion of the loan was \$44,059. The Village will repay the loan in semiannual installments of \$2,203 over 10 years. The loan is collateralized by undivided local government funds.

The Ohio Public Works Commission (OPWC) loan #CT23Q relates to the resurfacing of parts of Texas Street, Weckerly Drive, and Cable Avenue. OPWC loaned money to the Village and Whitehouse's principal portion of the loan was \$54,191. The Village will repay the loan in semiannual installments of \$2,710 over 10 years. The loan is collateralized by undivided local government funds.

The Ohio Public Works Commission (OPWC) loan #CL17T relates to the Regional Pump Station Improvements. OPWC loaned money to the Village and Whitehouse's principal portion of the loan was \$99,500. The Village will repay the loan in semiannual installments of \$2,486 over 20 years.

The Ohio Public Works Commission (OPWC) loan #CL26V relates to the Weckerly Road resurfacing. OPWC loaned money to the Village and Whitehouse's principal portion of the loan was \$85,226. The Village will repay the loan in semiannual installments of \$4,261.

The Fire Truck Lease/Purchase agreement was entered into on September 2, 2016, with PNC Equipment Finance. This leased a fire engine for the Village. The total lease amount was \$776,052, due in semiannual installments of \$32,166 for 15 years.

The State Infrastructure Bank (SIB) loan #150006 relates to the roundabout at Finzel Road and State Route 64 and the land around it. SIB loaned the Village \$1,386,910 for this project. The Village will repay the loan in semiannual installments of \$32,642 over 20 years including interest of 3.00 percent.

The S. Berkey-Southern Sewer Extension Special Assessment Bonds were originally issued for \$15,232. The bonds are payable from the proceeds of tax assessments against individual property owners in semiannual installments of \$381, including interest of 3.75 percent over 20 years. The Village purchased these bonds as an investment.

The S. Berkey-Southern Water Extension Special Assessment Bonds were originally issued for \$18,739. The bonds are payable from the proceeds of tax assessments against individual property owners in semiannual installments of \$468, including interest of 3.75 percent over 20 years. The Village purchased these bonds as an investment.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

The Waterville Street Reconstruction Special Assessment Bonds were originally issued for \$63,710. The bonds are payable from the proceeds of tax assessments against individual property owners in semiannual installments of \$1,593, including interest of 3.75 percent over 20 years. The Village purchased these bonds as an investment.

Amortization

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

Year Ending December 31:	General Obligation Bonds	OWDA Loan #5533	OPWC Loan #CL26V	OPWC Loan #CL06V	OPWC Loan #CT45N
2023	\$138,438	\$17,873	\$8,523	\$11,003	\$19,549
2024	140,138	17,873	8,523	11,003	19,549
2025	136,700	17,873	8,523	11,003	19,549
2026	137,950	17,873	8,523	11,003	19,549
2027	139,050	17,873	8,523	11,003	19,549
2028-2032		71,492	21,304	16,504	97,742
Total	<u>\$692,276</u>	<u>\$160,857</u>	<u>\$63,919</u>	<u>\$71,519</u>	<u>\$195,487</u>

Year Ending December 31:	OPWC Loan #CT56P	OPWC Loan #CT23Q	OPWC Loan #CL17T	PNC Equipment Finance	State Infrastructure Bank
2023	\$4,406	\$5,419	\$4,975	\$64,331	\$65,285
2024	4,406	5,419	4,975	64,331	65,285
2025		2,710	4,975	64,331	65,285
2026			4,975	64,331	65,285
2027			4,975	64,331	65,285
2028-2032			24,875	257,324	326,423
2033-2037			24,875		163,211
2038-2042			4,975		
Total	<u>\$8,812</u>	<u>\$13,548</u>	<u>\$79,600</u>	<u>\$578,979</u>	<u>\$816,059</u>

Year Ending December 31:	Republic First National Corp	S. Berkey- Southern Water Extension	S. Berkey- Southern Sewer Extension	Waterville Street
2023	\$6,143	\$1,060	\$862	\$3,603
2024		1,025	833	3,484
2025		990	804	3,365
2026		954	776	3,245
Total	<u>\$6,143</u>	<u>\$4,029</u>	<u>\$3,275</u>	<u>\$13,697</u>

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 10 - Construction and Contractual Commitments

Maumee Wastewater Treatment Plant

In 2003, the plant was expanded. The Village is to pay 8.00 percent of the improvement costs of the plant to Lucas County over a period of 25 years. As of December 31, 2022, the Village owed Lucas County approximately \$532,205 (OWDA #3956). In addition, a 20 year loan was taken out with Ohio Public Works Commission. As of December 31, 2022, the Village owed approximately \$21,873 (OPWC Loan #CL02F).

In 2010, the plant was expanded again. The Village is to pay a portion of the treatment plant's construction costs based on the quarterly consumption rates. The loan balance as of December 31, 2022 was \$377,535. Based on an average between quarterly consumption rates for 2022, the Village paid Lucas County approximately \$1,765 (OWDA #5113). Since the amount owed by the Village is variable, and based on consumption, there is no amortization schedule available.

In 2010-2011, further upgrades were made to the wastewater treatment plant. Various debt issues began amortizing in 2012. Once again, the Village is to pay a portion of the treatment plant's construction costs based on their quarterly consumption rate.

The loan balance as of December 31, 2022 was \$56,272. Based on an average between quarterly consumption rates for 2022, the Village paid Lucas County approximately \$4,504 (OPWC #CL27M). Since the amount owed by the Village is variable, and based on consumption, there is no amortization schedule available.

In 2015, capacity improvements were made. The Village is to pay a portion of the construction costs based on quarterly consumption rates. The Village paid approximately \$220 (OPWC #CL21Q). Since the amount owed by the Village is based on consumption, there is no amortization schedule available.

In 2019, more improvements were made. The Village is to pay 5.30 percent of the improvement costs of the plant to Lucas County over a period of 20 years. Multiple fixed loans (OWDA #7799, 8254, OPWC #CL16U, CL19T, CL21T, CL21U) at 0 % interest were taken. The loans are outlined below.

The annual requirements to amortize the fixed commitments are as follows:

Year ending December 31:	OWDA Loan #3956	OPWC Loan #CL02F	OWDA Loan #7799	OWDA Loan #8254
2023	\$76,029	\$4,861	\$41,238	\$10,374
2024	76,029	4,861	41,238	10,374
2025	76,029	4,861	41,238	10,374
2026	76,029	4,860	41,238	10,374
2027	76,029	2,430	41,238	10,374
2028-2032	152,058		206,190	51,870
2033-2037			206,190	51,870
2038-2042			41,238	20,748
Total	<u>\$532,203</u>	<u>\$21,873</u>	<u>\$659,808</u>	<u>\$176,358</u>

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Year ending December 31:	OPWC Loan #CL16U	OPWC Loan #CL19T	OPWC Loan #CL21T	OPWC Loan #CL21U
2023	\$795	\$1,325	\$1,060	\$1,897
2024	795	1,325	1,060	1,897
2025	795	1,325	1,060	1,897
2026	795	1,325	1,060	1,897
2027	795	1,325	1,060	1,897
2028-2032	3,975	6,625	5,300	9,487
2032-2037	3,975	6,625	5,300	9,487
2038-2042	1,193	1,988	1,590	3,795
Total	<u>\$13,118</u>	<u>\$21,863</u>	<u>\$17,490</u>	<u>\$32,254</u>

Note 11 - Contingent Liabilities

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 12 - Joint Governed Organizations

The Village of Whitehouse entered into two separate joint economic development districts (JEDD) agreements and one Joint Economic Development Zone (JEDZ) agreement. One of the JEDD agreements is the Monclova Township and another JEDD agreement is with Waterville Township. The JEDZ agreement is with Spencer Township. Each of the JEDDs and the JEDZ is wholly situated within their respective township. The purpose of these agreements is to facilitate economic development by creating and preserving employment opportunities within the respective JEDD/JEDZ.

The Village created a jointly governed organization with the City of Waterville and Waterville Township for the establishment of Fallen Timbers Union Cemetery District for the operation and maintenance of the cemetery.

Note 13 - Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2022, the City paid RITA \$52,207 for income tax collection services.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 14 - 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>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$15,071</u>	<u>\$10,430</u>	<u>\$462,388</u>	<u>\$487,889</u>

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

Village of Whitehouse
Lucas 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	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$395,066	\$453,111			\$848,177
Municipal Income Tax	2,125,770			\$911,044	3,036,814
Intergovernmental	599,893	605,793		124,389	1,330,075
Special Assessments			\$21,763		21,763
Charges for Services	413,913	955,022			1,368,935
Fines, Licenses and Permits	122,449				122,449
Earnings on Investments	19,269	12			19,281
Miscellaneous	109,263	2,702		17	111,982
<i>Total Cash Receipts</i>	<u>3,785,623</u>	<u>2,016,640</u>	<u>21,763</u>	<u>1,035,450</u>	<u>6,859,476</u>
Cash Disbursements					
Current:					
Security of Persons and Property	2,218,148	1,225,267			3,443,415
Public Health Services	10,649				10,649
Leisure Time Activities	89,805				89,805
Community Environment	193,903				193,903
Basic Utility Services	293,789				293,789
Transportation		183,525			183,525
General Government	504,262	11,187	4,313	195,029	714,791
Capital Outlay				2,290,926	2,290,926
Debt Service:					
Principal Retirement		53,874	233,019		286,893
Interest and Fiscal Charges			67,755		67,755
<i>Total Cash Disbursements</i>	<u>3,310,556</u>	<u>1,473,853</u>	<u>305,087</u>	<u>2,485,955</u>	<u>7,575,451</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>475,067</u>	<u>542,787</u>	<u>(283,324)</u>	<u>(1,450,505)</u>	<u>(715,975)</u>
Other Financing Receipts (Disbursements)					
Loans Issued				1,755,022	1,755,022
Transfers In		225,000	288,261	619,067	1,132,328
Transfers Out	(225,000)			(898,899)	(1,123,899)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(225,000)</u>	<u>225,000</u>	<u>288,261</u>	<u>1,475,190</u>	<u>1,763,451</u>
<i>Net Change in Fund Cash Balances</i>	250,067	767,787	4,937	24,685	1,047,476
<i>Fund Cash Balances, January 1</i>	<u>1,150,604</u>	<u>730,742</u>	<u>50,962</u>	<u>1,140,653</u>	<u>3,072,961</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,400,671</u>	<u>\$1,498,529</u>	<u>\$55,899</u>	<u>\$1,165,338</u>	<u>\$4,120,437</u>

See accompanying notes to the basic financial statements

Village of Whitehouse
Lucas 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 Types
	Enterprise
Operating Cash Receipts	
Charges for Services	\$2,503,708
Miscellaneous	276
<i>Total Operating Cash Receipts</i>	<i>2,503,984</i>
Operating Cash Disbursements	
Personal Services	493,563
Employee Fringe Benefits	151,501
Contractual Services	1,136,589
Supplies and Materials	160,423
Other	9,344
<i>Total Operating Cash Disbursements</i>	<i>1,951,420</i>
<i>Operating Income</i>	<i>552,564</i>
Non-Operating Disbursements	
Capital Outlay	(100,525)
Principal Retirement	(124,614)
Interest and Other Fiscal Charges	(36,611)
<i>Total Non-Operating Disbursements</i>	<i>(261,750)</i>
<i>Income before Transfers</i>	<i>290,814</i>
Transfers In	26,809
Transfers Out	(35,238)
<i>Net Change in Fund Cash Balances</i>	<i>282,385</i>
<i>Fund Cash Balances, January 1</i>	<i>2,758,983</i>
<i>Fund Cash Balances, December 31</i>	<i>\$3,041,368</i>

See accompanying notes to the basic financial statements

Village of Whitehouse
Lucas County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2021

	Fiduciary Fund Type
	Other Custodial
Additions	
Property and Other Local Taxes Collected for Distribution	\$2,103,448
Deductions	
Distributions as Fiscal Agent	2,194,976
<i>Net Change in Fund Balances</i>	(91,528)
<i>Fund Cash Balances, January 1</i>	1,092,822
<i>Fund Cash Balances, December 31</i>	\$1,001,294
<i>See accompanying notes to the basic financial statements</i>	

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 - Reporting Entity

The Village of Whitehouse (the Village), Lucas County, Ohio, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police, fire, and life squad services.

Jointly Governed Organizations

The Village participates in jointly governed organizations. Notes 12 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 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 Funds:

Life Squad This fund receives revenue from Lucas County for life squad services.

Fire Levy This fund receives revenue from property taxes and Waterville Township to provide fire services.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

General Obligation Bond Fund This fund receives Income Tax Fund proceeds to repay debt incurred for the construction and equipping of a new municipal building.

Note Retirement Fund This fund receives transfers from the Income Tax A Fund to repay debt incurred for the construction of the State Route 64/Finzel Road Roundabout.

Fire Debt Retirement Fund This fund receives transfers from the Income Tax A Fund to repay debt incurred for the lease of a new fire truck.

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:

Income Tax A Fund This fund receives local income tax revenue for capital projects.

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.

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

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 funds account for income tax receipts collected by the Village and the related distributions for the Monclova Township-Village of Whitehouse JEDD and the Spencer Township-Village of Whitehouse JEDZ.

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.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

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. Unencumbered appropriations lapse at year end.

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

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

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

The Village values U.S. Treasury Notes at cost. Money market mutual funds are recorded at share values the mutual funds report. 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.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Accumulated Leave

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

Fund Balance

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

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

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

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

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

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

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned 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 14.

Note 3 - Budgetary Activity

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

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,701,394	\$3,785,623	\$84,229
Special Revenue	2,003,785	2,241,640	237,855
Debt Service	398,690	310,024	(88,666)
Capital Projects	4,597,000	3,409,539	(1,187,461)
Enterprise	2,425,833	2,530,793	104,960
Total	\$13,126,702	\$12,277,619	(\$849,083)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,067,735	\$3,550,984	\$516,751
Special Revenue	1,916,641	1,482,396	434,245
Debt Service	323,072	305,087	17,985
Capital Projects	4,901,987	4,358,681	543,306
Enterprise	2,408,827	2,251,976	156,851
Total	\$13,618,262	\$11,949,124	\$1,669,138

Note 4 - Deposits and Investments

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

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$4,878,436
U.S. Treasury Notes	2,552,261
STAR Ohio	702,479
Special Assessment Bonds	29,923
Total investments	3,284,663
Total Deposits and Investments	\$8,163,099

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statement reflect gross payroll. The balance in the Village's payroll clearing account represent 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.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Deposits

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

Investments

The Federal Reserve holds the Village's U.S. Treasury Notes in book-entry form by, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities.

A financial institution's trust department holds the Village's equity securities in book-entry form in the Village's name.

Investments in STAR Ohio and mutual funds 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.

Income Taxes

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 6 - Risk Management

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

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

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

Ohio Police and Fire Retirement System

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

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

Social Security

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

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

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

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.

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
2013 General Obligation Bonds, Series	\$755,000	1.00%
Ohio Water Development Authority Loan, #5533	155,335	2.75%
Ohio Water Development Authority Loan, #9230	1,755,022	0.30%
Ohio Public Works Commission Loan #CT45N	215,036	0.00%
Ohio Public Works Commission Loan #CL06V	82,522	0.00%
Ohio Public Works Commission Loan #CT56P	13,218	0.00%
Ohio Public Works Commission Loan #CT23Q	18,967	0.00%
Ohio Public Works Commission Loan #CL17T	84,575	0.00%
Ohio Public Works Commission Loan #CL26V	72,442	0.00%
PNC Equipment Financing	570,631	2.94%
State Infrastructure Bank	720,338	3.00%
Republic First National Corp.	30,064	4.04%
Special Assessment Bond, North, West/Maumee	2,594	3.00%
Special Assessment Bond, S. Berkey-South Sewer	3,808	3.75%
Special Assessment Bond, S. Berkey-South Water	4,685	3.75%
Special Assessment Bond, South, Merritt, Gillett	2,828	3.00%
Special Assessment Bond, Waterville St Recon	15,927	3.75%
Total	<u>\$4,502,992</u>	

The 2013 General Obligation Bonds relate to the refinancing of bonds originally issued in 2002 for the construction and equipping of a new municipal building. The refinanced bonds were issued for \$1,720,000 at a variable rate not to exceed 3.00 percent interest, payable semiannually over 15 years.

The Ohio Water Development Authority (OWDA) loan #5533 relates to a sewer utility construction project on Dutch Road. OWDA approved a \$273,544 loan to the Village for this project. The loan will be repaid in semiannual installments over 20 years, including interest of 2.75 percent. The loan is collateralized by water and sewer receipts.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

The Ohio Water Development Authority (OWDA) loan #9230 relates to a sewer line upgrade project for the entire Village \$1,755,022 was issued during 2021. As of December 31, 2021, this project is not closed.

The Ohio Public Works Commission (OPWC) loan #CT45N relates to the Downtown Water and Storm Sewer project. OPWC loaned the Village \$390,974. The Village will repay the loan in semiannual installments of \$9,774 over 20 years. The loan is collateralized by undivided local government funds.

The Ohio Public Works Commission (OPWC) loan #CL06V relates to the Rupp Road and Technology Drive project. OPWC loaned the Village \$110,030. The Village will repay the loan in semiannual installments of \$11,003 over 10 years. The loan is collateralized by undivided local government funds.

The Ohio Public Works Commission (OPWC) loan #CT56P relates to the Texas Street Phase I reconstruction project. OPWC loaned money to the Village and Whitehouse's principal portion of the loan was \$44,059. The Village will repay the loan in semiannual installments of \$2,203 over 10 years. The loan is collateralized by undivided local government funds.

The Ohio Public Works Commission (OPWC) loan #CT23Q relates to the resurfacing of parts of Texas Street, Weckerly Drive, and Cable Avenue. OPWC loaned money to the Village and Whitehouse's principal portion of the loan was \$54,191. The Village will repay the loan in semiannual installments of \$2,710 over 10 years. The loan is collateralized by undivided local government funds.

The Ohio Public Works Commission (OPWC) loan #CL17T relates to the Regional Pump Station Improvements. OPWC loaned money to the Village and Whitehouse's principal portion of the loan was \$99,500. The Village will repay the loan in semiannual installments of \$2,486 over 20 years.

The Ohio Public Works Commission (OPWC) loan #CL26V relates to the Weckerly Road resurfacing. OPWC loaned money to the Village and Whitehouse's principal portion of the loan was \$85,226. The Village will repay the loan in semiannual installments of \$4,261.

The Fire Truck Lease/Purchase agreement was entered into on September 2, 2016, with PNC Equipment Finance. This leased a fire engine for the Village. The total lease amount was \$776,052, due in semiannual installments of \$32,166 for 15 years.

The State Infrastructure Bank (SIB) loan #150006 relates to the roundabout at Finzel Road and State Route 64 and the land around it. SIB loaned the Village \$1,386,910 for this project. The Village will repay the loan in semiannual installments of \$32,642 over 20 years including interest of 3.00 percent.

The Republic First National Corporation lease was entered into on March 8, 2018 for fire turnout gear. The total lease was for \$110,871 payable in monthly installments of \$2,048 for five years.

The North, West/Maumee Streets Special Assessment Bonds were originally issued for \$51,881. The bonds are payable from the proceeds of tax assessments against individual property owners in semiannual installments of \$1,297, including interest of 3.00 percent over 20 years. The Village purchased these bonds as an investment.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

The S. Berkey-Southern Sewer Extension Special Assessment Bonds were originally issued for \$15,232. The bonds are payable from the proceeds of tax assessments against individual property owners in semiannual installments of \$381, including interest of 3.75 percent over 20 years. The Village purchased these bonds as an investment.

The S. Berkey-Southern Water Extension Special Assessment Bonds were originally issued for \$18,739. The bonds are payable from the proceeds of tax assessments against individual property owners in semiannual installments of \$468, including interest of 3.75 percent over 20 years. The Village purchased these bonds as an investment.

The South, Merritt, Gillett Street Special Assessment Bonds were originally issued for \$56,566. The bonds are payable from the proceeds of tax assessments against individual property owners in semiannual installments of \$1,414, including interest of 3.00 percent over 20 years. The Village purchased these bonds as an investment.

The Waterville Street Reconstruction Special Assessment Bonds were originally issued for \$63,710. The bonds are payable from the proceeds of tax assessments against individual property owners in semiannual installments of \$1,593, including interest of 3.75 percent over 20 years. The Village purchased these bonds as an investment.

Amortization

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

Year Ending December 31:	General Obligation Bonds	OWDA Loan #5533	OPWC Loan #CL26V	OPWC Loan #CL06V	OPWC Loan #CT45N
2022	\$141,378	\$17,873	\$8,523	\$11,003	\$19,549
2023	138,438	17,873	8,523	11,003	19,549
2024	140,138	17,873	8,523	11,003	19,549
2025	136,700	17,873	8,523	11,003	19,549
2026	137,950	17,873	8,523	11,003	19,549
2027-2031	139,050	89,365	29,827	27,507	97,743
2032-2036					19,548
Total	<u>\$833,654</u>	<u>\$178,730</u>	<u>\$72,442</u>	<u>\$82,522</u>	<u>\$215,036</u>

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Year Ending December 31:	OPWC Loan #CT56P	OPWC Loan #CT23Q	OPWC Loan #CL17T	PNC Equipment Finance	State Infrastructure Bank
2022	\$4,406	\$5,419	\$4,975	\$64,331	\$65,285
2023	4,406	5,419	4,975	64,331	65,285
2024	4,406	5,419	4,975	64,331	65,285
2025		2,710	4,975	64,331	65,285
2026			4,975	64,331	65,285
2027-2031			24,875	321,655	326,423
2032-2036			24,875		228,496
2037-2041			9,950		
Total	<u>\$13,218</u>	<u>\$18,967</u>	<u>\$84,575</u>	<u>\$643,310</u>	<u>\$881,344</u>

Year Ending December 31:	Republic First National Corp	North/West, Maumee Street	S. Berkey- Southern Sewer Extension	S. Berkey- Southern Water Extension	South, Merritt, Gillett Street
2022	\$24,572	\$2,633	\$890	\$1,095	\$2,871
2023	6,143		862	1,060	
2024			833	1,025	
2025			804	990	
2026			776	954	
Total	<u>\$30,715</u>	<u>\$2,633</u>	<u>\$4,165</u>	<u>\$5,124</u>	<u>\$2,871</u>

Year Ending December 31:	Waterville Street
2022	\$3,723
2023	3,603
2024	3,484
2025	3,365
2026	3,245
2027-2031	
Total	<u>\$17,420</u>

Note 10 - Construction and Contractual Commitments

Maumee Wastewater Treatment Plant

In 2003, the plant was expanded. The Village is to pay 8.00 percent of the improvement costs of the plant to Lucas County over a period of 25 years. As of December 31, 2021, the Village owed Lucas County approximately \$519,231 (OWDA #3956). In addition, a 20 year loan was taken out with Ohio Public Works Commission. As of December 31, 2021, the Village owed approximately \$26,734 (OPWC Loan #CL02F).

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

In 2010, the plant was expanded again. The Village is to pay a portion of the treatment plant's construction costs based on the quarterly consumption rates. The loan balance as of December 31, 2021 was \$419,264. Based on an average between quarterly consumption rates for 2021, the Village paid Lucas County approximately \$1,799 (OWDA #5113). Since the amount owed by the Village is variable, and based on consumption, there is no amortization schedule available.

In 2010-2011, further upgrades were made to the wastewater treatment plant. Various debt issues began amortizing in 2012. Once again, the Village is to pay a portion of the treatment plant's construction costs based on their quarterly consumption rate.

The loan balance as of December 31, 2021 was \$62,195. Based on an average between quarterly consumption rates for 2021, the Village paid Lucas County approximately \$5,324 (OPWC #CL27M). Since the amount owed by the Village is variable, and based on consumption, there is no amortization schedule available.

In 2015, capacity improvements were made. The Village is to pay a portion of the construction costs based on quarterly consumption rates. The Village paid approximately \$224 (OPWC #CL21Q). Since the amount owed by the Village is based on consumption, there is no amortization schedule available.

In 2019, more improvements were made. The Village is to pay 5.30 percent of the improvement costs of the plant to Lucas County over a period of 20 years. Multiple fixed loans (OWDA #7799, 8254, OPWC #CL16U, CL19T, CL21T, CL21U) at 0 % interest were taken. The loans are outlined below.

The annual requirements to amortize the fixed commitments are as follows:

Year ending December 31:	OWDA Loan #3956	OPWC Loan #CL02F	OWDA Loan #7799	OWDA Loan #8254
2022	\$76,029	\$4,861	\$41,238	\$9,823
2023	76,029	4,861	41,238	10,374
2024	76,029	4,861	41,238	10,374
2025	76,029	4,861	41,238	10,374
2026	76,029	4,860	41,238	10,374
2027-2031	228,088	2,430	206,190	51,870
2031-2036			206,190	51,870
2037-2041			82,476	31,121
Total	<u>\$608,233</u>	<u>\$26,734</u>	<u>\$701,046</u>	<u>\$186,180</u>

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Year ending December 31:	OPWC Loan #CL16U	OPWC Loan #CL19T	OPWC Loan #CL21T	OPWC Loan #CL21U
2022	\$795	\$1,325	\$1,060	\$1,897
2023	795	1,325	1,060	1,897
2024	795	1,325	1,060	1,897
2025	795	1,325	1,060	1,897
2026	795	1,325	1,060	1,897
2027-2031	3,975	6,625	5,300	9,487
2031-2036	3,975	6,625	5,300	9,487
2037-2041	2,385	3,975	3,180	6,641
Total	<u>\$14,310</u>	<u>\$23,850</u>	<u>\$19,080</u>	<u>\$35,100</u>

Note 11 - Contingent Liabilities

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 12 - Joint Governed Organizations

The Village of Whitehouse entered into two separate joint economic development districts (JEDD) agreements and one Joint Economic Development Zone (JEDZ) agreement. One of the JEDD agreements is the Monclova Township and another JEDD agreement is with Waterville Township. The JEDZ agreement is with Spencer Township. Each of the JEDDs and the JEDZ is wholly situated within their respective township. The purpose of these agreements is to facilitate economic development by creating and preserving employment opportunities within the respective JEDD/JEDZ.

The Village created a jointly governed organization with the City of Waterville and Waterville Township for the establishment of Fallen Timbers Union Cemetery District for the operation and maintenance of the cemetery.

Note 13 - Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2021, the City paid RITA \$61,917 for income tax collection services.

Village of Whitehouse
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 14 - 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>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	\$15,428	\$8,543	\$973,827	\$997,798

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

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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 Whitehouse
Lucas County
P.O. Box 2476
6925 Providence Street
Whitehouse, Ohio 43571-2476

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 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 Whitehouse, Lucas County, Ohio (the Village) and have issued our report thereon dated August 9, 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 9, 2023

**VILLAGE OF WHITEHOUSE
LUCAS 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

Financial Report – Material Weakness

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

For December 31, 2022, budgeted receipts in the Budgetary Activity note to the financial statements were overstated in the General Fund in the amount of \$1,494,486.

This error was not identified and corrected prior to the Village preparing its financial statements and notes to the financial statements due to deficiencies in the Village's internal controls over financial statement monitoring. Failing to prepare accurate financial statements could lead the Members of Council to make misinformed decisions. The accompanying notes to the financial statements have been adjusted to reflect this error. In addition to the adjustment noted above, we also identified additional misstatements ranging from \$138 to \$56,331, which we have brought to the Village's attention.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures over financial reporting, including a final review of the financial statements and notes to the financial statements by the Mayor, Fiscal Officer and Members of Council to help identify and correct errors and omissions.

Officials' Response:

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



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022 AND 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Finding was first issued in the 2010-2009 audit. Material weakness due to errors in financial reporting.	Not corrected and reissued as Finding 2022-001 in this report.	This finding reoccurred due to inadequate policies and procedures in reviewing the financial statements prior to filing the Village's annual report. The Village is implementing procedures to correct these errors for the future.
2020-002	Ohio Rev. Code § 5705.10(D) due to improperly recording income tax revenue.	Partially corrected and reissued in the Management Letter .	This finding reoccurred due to inadequate policies and procedures in reviewing the financial statements prior to filing the Village's annual report.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WHITEHOUSE

LUCAS 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 8/29/2023

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