

VILLAGE OF BUCKLAND
AUGLAIZE COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2022 & 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Buckland
100 Old Tile Mile Road
Buckland, Ohio 45819

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2023

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**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY, OHIO**

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Independent Auditor's Report

Village of Buckland
Auglaize County
100 Old Tile Mill Road
Buckland, Ohio 45819

To the Members of the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type of the Village of Buckland, Auglaize County, Ohio, 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 of the Village of Buckland, as of and for the years ended December 31, 2022 and 2021 in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Buckland'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.

Village of Buckland
Auglaize County
Independent Auditor's Report

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Buckland'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 October 27, 2023 on our consideration of the Village of Buckland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Buckland's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Buckland's internal control over financial reporting and compliance.



Julian & Grube, Inc.
October 27, 2023

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 11,462	\$ -	\$ 11,462
Municipal Income Tax	32,375	-	32,375
Intergovernmental	61,592	29,674	91,266
Fines, Licenses and Permits	1,479	-	1,479
Miscellaneous	2,964	-	2,964
<i>Total Cash Receipts</i>	<u>109,872</u>	<u>29,674</u>	<u>139,546</u>
Cash Disbursements			
Current:			
Security of Persons and Property	11,290	-	11,290
Leisure Time Activities	19,034	-	19,034
Community Environment	1,683	-	1,683
Transportation	-	5,591	5,591
General Government	34,984	-	34,984
Capital Outlay	85,835	-	85,835
<i>Total Cash Disbursements</i>	<u>152,826</u>	<u>5,591</u>	<u>158,417</u>
<i>Net Change in Fund Cash Balances</i>	(42,954)	24,083	(18,871)
<i>Fund Cash Balances, January 1</i>	<u>235,079</u>	<u>112,941</u>	<u>348,020</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 192,125</u>	<u>\$ 137,024</u>	<u>\$ 329,149</u>

See accompanying notes to the financial statements

Village of Buckland, Ohio
Auglaize County
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	\$ 72,778
<i>Total Operating Cash Receipts</i>	<i>72,778</i>
Operating Cash Disbursements	
Personal Services	5,926
Employee Fringe Benefits	864
Contractual Services	28,047
Supplies and Materials	3,048
<i>Total Operating Cash Disbursements</i>	<i>37,885</i>
<i>Operating Income (Loss)</i>	<i>34,893</i>
Non-Operating Receipts (Disbursements)	
Principal Retirement	(17,186)
Interest and Other Fiscal Charges	(2,409)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(19,595)</i>
<i>Net Change in Fund Cash Balances</i>	<i>15,298</i>
<i>Fund Cash Balances, January 1</i>	<i>166,481</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 181,779</i>

See accompanying notes to the financial statements

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

Note 1 – Reporting Entity

The Village of Buckland (the Village), Auglaize County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities, park operations, and police services. The Village contracts with the Buckland Volunteer Fire Dept. Inc. to receive fire protection services. The Village also contracts with the Cridersville Fire Dept. to receive EMS services.

Jointly Governed Organization and a Public Entity Risk Pool

The Village participates in a jointly governed organization and a public entity risk pool. Notes 6 and 7 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any 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:

Street Construction Maintenance and Repair Fund The street construction maintenance and repair fund accounts for and reports the portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

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

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

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

Basis of Accounting

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

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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 deposits as assets. The Village has no investments.

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:

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

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	\$100,000	\$109,872	\$9,872
Special Revenue	29,850	29,674	(176)
Enterprise	74,880	72,778	7,338
Total	\$204,730	\$212,324	\$17,034

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

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$335,580	\$161,371	\$174,209
Special Revenue	142,862	5,591	137,271
Enterprise	241,519	57,518	184,001
Total	\$719,961	\$224,480	\$495,481

Note 4 – Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution; the carrying amount of deposits at December 31, 2022 was \$510,928.

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.

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 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. Income tax revenue is credited to the General fund. The Village utilizes the Regional Income Tax Agency as a collection agency for the Village income taxes.

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

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, 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 remained unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

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

Note 7 – Jointly Governed Organization

The Auglaize County Regional Planning Commission, Auglaize County, (the Commission), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Commission is directed by a fifty-four member Board. The Board consists of representatives from participating political subdivisions, the county commissioners, and appointed citizens. The Commission formulates and reviews plans affecting long and short term social, economic, and governmental development within the region. Financial information can be obtained from Kurt Rodeheffer Secretary/Treasurer at krhodeheffer@auglaizecounty.org or 419-739-6740.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Three 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% of their gross salaries, and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

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

Social Security

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

Employees contributed 6.2% of their gross salaries. The Village contributed an amount equal to 6.2% of participants' gross salaries.

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan 6637	144,029	0.00%
Ohio Water Development Authority Loan 6334	156,015	1.50%
Total	\$300,044	

The Ohio Water Development Authority (OWDA) loans relate to a sewer plant project the Ohio Environmental Protection Agency mandated. The OWDA approved loans to the Village for this project.

The OWDA Loan 6334 was for the land purchase associated with the project. The total amount borrowed, including capitalized interest, was \$205,130. The Village will repay the loan in semiannual installments of \$4,258, including interest from the Sewer Fund (Enterprise Fund Type). Sewer service charges collateralize the loan.

The OWDA Loan 6637 was for planning and construction of the new sewer facility. The Village borrowed \$221,583. The Village will repay the loans in semiannual installments of \$5,540 from the Sewer Fund (Enterprise Fund Type). Sewer service charges collateralize the loan.

Amortization

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

Year ending	<u>OWDA Loan</u>	<u>OWDA Loan</u>
December 31:	6637	6334
2023	\$5,540	\$4,258
2024	11,079	8,516
2025	11,079	8,516
2026	11,079	8,516
2027	11,079	8,516
2028-2032	55,396	42,582
2033-2037	38,777	42,582
2038-2042	-	42,582
2043-2044	-	17,032
Total	\$144,029	\$183,100

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

Note 10 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 and the national state of emergency expired in May 2023. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 11 – Fund Balances

Included in fund balances are amounts the Village cannot spend. 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>Total</u>
Outstanding Encumbrances	\$8,545	\$0	\$8,545

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

Note 12 – 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% during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0% during calendar year 2022.

Note 13 – Noncompliance

The Village was in noncompliance with the following:

- Ohio Administrative Code 117-2-02(D) for not keeping sufficient documentation of payroll withholdings and remittances.
- 26 US Code Sections 3102 and 3402 for not remitting filings or payments on certain quarterly federal withholdings or applicable employer matches.
- Ohio Revised Code Sections 5747.06 and 5747.07(B) for not remitting State, School District, or Local income tax withholdings to the required agencies.
- Ohio Administrative Code Section 117-2-02(C)(1) due to the budgetary amounts entered in the Village’s accounting system not agreeing to the Council approved appropriations or estimated receipts in the Village’s accounting system not agreeing to the County Budget Commission certified amended certificates.
- Ohio Revised Code Section 5705.40 for amending appropriations without proper approval.
- Ohio Revised Code Section 5705.41(D) for invoice dates subsequent purchase order dates.

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

- Ohio Revised Code Section 9.38 for lack of timely deposit of sewer receipts.

Note 14 – 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.

Village of Buckland, Ohio
Auglaize 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	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 11,542	\$ 286	\$ 11,828
Municipal Income Tax	35,732	-	35,732
Intergovernmental	52,184	29,079	81,263
Charges for Services	1,240	-	1,240
Fines, Licenses and Permits	1,462	-	1,462
Miscellaneous	9,138	2,474	11,612
<i>Total Cash Receipts</i>	<u>111,298</u>	<u>31,839</u>	<u>143,137</u>
Cash Disbursements			
Current:			
Security of Persons and Property	10,059	-	10,059
Leisure Time Activities	10,101	-	10,101
Community Environment	1,116	-	1,116
Basic Utility Services	-	75	75
Transportation	-	5,445	5,445
General Government	66,536	-	66,536
<i>Total Cash Disbursements</i>	<u>87,812</u>	<u>5,520</u>	<u>93,332</u>
<i>Net Change in Fund Cash Balances</i>	23,486	26,319	49,805
<i>Fund Cash Balances, January 1</i>	<u>211,593</u>	<u>86,622</u>	<u>298,215</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 235,079</u>	<u>\$ 112,941</u>	<u>\$ 348,020</u>

See accompanying notes to the financial statements

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 86,172
Miscellaneous	3,651
	89,823
<i>Total Operating Cash Receipts</i>	<i>89,823</i>
Operating Cash Disbursements	
Personal Services	6,693
Employee Fringe Benefits	2,214
Contractual Services	21,320
	30,227
<i>Total Operating Cash Disbursements</i>	<i>30,227</i>
<i>Operating Income (Loss)</i>	<i>59,596</i>
Non-Operating Receipts (Disbursements)	
Principal Retirement	(17,096)
Interest and Other Fiscal Charges	(2,499)
	(19,595)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(19,595)</i>
<i>Net Change in Fund Cash Balances</i>	<i>40,001</i>
<i>Fund Cash Balances, January 1</i>	<i>126,480</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 166,481</i>

See accompanying notes to the financial statements

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

Note 1 – Reporting Entity

The Village of Buckland (the Village), Auglaize County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities, park operations, and police services. The Village contracts with the Buckland Volunteer Fire Dept. Inc. to receive fire protection services. The Village also contracts with the Cridersville Fire Dept. to receive EMS services.

Jointly Governed Organization and a Public Entity Risk Pool

The Village participates in a jointly governed organization and a public entity risk pool. Notes 6 and 7 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any 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:

Street Construction Maintenance and Repair Fund The street construction maintenance and repair fund accounts for and reports the portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

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

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

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

Basis of Accounting

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

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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 deposits as assets. The Village has no investments.

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:

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

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	\$100,000	\$111,298	\$11,298
Special Revenue	15,850	31,839	15,989
Enterprise	73,440	89,823	16,383
Total	\$189,290	\$232,960	\$43,670

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

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$317,532	\$87,844	\$229,688
Special Revenue	71,888	5,520	66,368
Enterprise	107,370	49,854	57,516
Total	\$496,790	\$143,218	\$353,572

Note 4 – Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution; the carrying amount of deposits at December 31, 2021 was \$514,501.

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.

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 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. Income tax revenue is credited to the General fund. The Village utilizes the Regional Income Tax Agency as a collection agency for the Village income taxes.

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

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, 202. 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.

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.

Note 7 – Jointly Governed Organization

The Auglaize County Regional Planning Commission, Auglaize County, (the Commission), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Commission is directed by a fifty-four member Board. The Board consists of representatives from participating political subdivisions, the county commissioners, and appointed citizens. The Commission formulates and reviews plans affecting long and short term social, economic, and governmental development within the region. Financial information can be obtained from Kurt Rodeheffer Secretary/Treasurer at krodeheffer@auglaizecounty.org or 419-739-6740.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Three 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.

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

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

Social Security

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

Employees contributed 6.2% of their gross salaries. The Village contributed an amount equal to 6.2% of participants' gross salaries.

Note 9 – Debt

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

	Principal	Interest Rate
Ohio Water Development Authority Loan 6637	155,108	0.00%
Ohio Water Development Authority Loan 6334	162,122	1.50%
Total	\$317,230	

The Ohio Water Development Authority (OWDA) loans relate to a sewer plant project the Ohio Environmental Protection Agency mandated. The OWDA approved loans to the Village for this project.

The OWDA Loan 6334 was for the land purchase associated with the project. The total amount borrowed, including capitalized interest, was \$205,130. The Village will repay the loan in semiannual installments of \$4,258, including interest from the Sewer Fund (Enterprise Fund Type). Sewer service charges collateralize the loan.

The OWDA Loan 6637 was for planning and construction of the new sewer facility. The Village borrowed \$221,583. The Village will repay the loans in semiannual installments of \$5,540 from the Sewer Fund (Enterprise Fund Type). Sewer service charges collateralize the loan.

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

Amortization

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

Year ending December 31:	OWDA Loan 6637	OWDA Loan 6334
2022	\$5,540	\$4,258
2023	11,079	8,516
2024	11,079	8,516
2025	11,079	8,516
2026	11,079	8,516
2027-2031	55,396	42,582
2032-2036	49,856	42,582
2037-2041	-	42,582
2042-2044	-	25,548
Total	\$155,108	\$191,616

Note 10 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 and the national state of emergency expired in May 2023. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 11 – Fund Balances

Included in fund balances are amounts the Village cannot spend. 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>Total</u>
Outstanding Encumbrances	\$32	\$0	\$32

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

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

Note 12 – 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% during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0% during calendar year 2021.

Note 13 – Noncompliance

The Village was in noncompliance with the following:

- Ohio Administrative Code 117-2-02(D) for not keeping sufficient documentation of payroll withholdings and remittances.
- 26 US Code Sections 3102 and 3402 for not remitting filings or payments on certain quarterly federal withholdings or applicable employer matches.
- Ohio Revised Code Sections 5747.06 and 5747.07(B) for not remitting State, School District, or Local income tax withholdings to the required agencies.
- Ohio Administrative Code Section 117-2-02(C)(1) due to the budgetary amounts entered in the Village's accounting system not agreeing to the Council approved appropriations or estimated receipts in the Village's accounting system not agreeing to the County Budget Commission certified amended certificates.
- Ohio Revised Code Sections 5705.39 and 5705.36 for having appropriations in excess of estimated resources at year end and throughout the year.
- Ohio Revised Code Section 5705.36(A)(1) for not certifying the proper beginning unencumbered balances with the County Budget Commission.
- Ohio Revised Code Section 5705.40 for amending appropriations without proper approval by the Village Council.
- Ohio Revised Code Section 5705.41(D) for invoice dates subsequent purchase order dates, and certain purchase orders lacking required approval signature.
- Ohio Revised Code Section 9.38 for lack of timely deposit of sewer receipts.

Note 14 – 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.

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

Village of Buckland
Auglaize County
100 Old Tile Mill Road
Buckland, Ohio 45819

To the Members of the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type of the Village of Buckland, Auglaize County, Ohio, as of and for the years ended December 31, 2022 and December 31, 2021, and the related notes to the financial statements and have issued our report thereon dated October 27, 2023, wherein we noted as described in Note 2 to the financial statements, the Village of Buckland followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 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 of Buckland’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Buckland’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Buckland’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village of Buckland’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 have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001 through 2022-05 and 2022-08 through 2022-011 that we consider to be material weaknesses.

Village of Buckland

Auglaize County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Buckland's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as items 2022-003 through 2022-011.

Village of Buckland's Responses to Findings

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

Purpose of this Report

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



Julian & Grube, Inc.

October 27, 2023

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY, OHIO**

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

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

Material Weakness - Financial Statement Presentation

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

The following adjustments were made to the financial statements and notes for the years ended December 31, 2022 and 2021, respectively.

2022:

- In the General Fund increase property and other local taxes in the amount of \$11,462, increase general government disbursements in the amount of \$582, and decrease intergovernmental receipts in the amount of \$10,880 to properly report real estate tax receipts.
- In the Sewer Operating Fund (Enterprise Fund Type) increase principal retirement disbursements and decrease interest and other fiscal charges disbursements in the amount of \$17,186 to properly report debt service payments.
- In the General Fund increase capital outlay disbursements and decrease general government disbursements in the amount of \$85,835 to properly report capital outlay disbursements.

2021:

- In the General Fund increase property and other local taxes and decrease intergovernmental receipts in the amount of \$6,539 to properly report real estate tax receipts.
- In the Sewer Operating Fund (Enterprise Fund Type) increase principal retirement disbursements and decrease interest and other fiscal charges disbursements in the amount of \$17,096 to properly report debt service payments.

Further, the Village did not include notes to the financial statements in its originally submitted HINKLE filings for 2022 and 2021.

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

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

Client Response: The Village Fiscal Officer will more closely examine the annual financial statements and related notes prior to filing with the HINKLE system.

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2022-002

Material Weakness – Bank Reconciliations

The Fiscal Officer is responsible for reconciling the Village’s book (fund) balance with no unidentified items to the total bank balance on a monthly basis and in a timely manner.

While the Village Fiscal Officer performed monthly bank reconciliations, they were not completed timely.

Lack of timely monthly balanced bank statements to a zero unidentified amount may lead to misappropriations of assets and may decrease the Village’s ability to identify any discrepancies and resolve in a timely manner.

The Fiscal Officer should prepare the monthly cash reconciliations to a zero unidentified amount in the week following each month end. The Village Council should review and approve each reconciliation by signing and dating said reconciliation.

Client Response: The Village Fiscal Officer is working to complete more timely reconciliations.

Finding Number	2022-003
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Material Weakness/Noncompliance – Payroll Records

Ohio Administrative Code Section 117-2-02(D), in part, states all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides and should consider the degree of automation and other factors. Further, all local public offices should maintain or provide a report similar to the following accounting records:

- a. Payroll records including:
 - i. W-2’s, W-4’s, I-9’s and other withholding records and authorizations;
 - ii. Payroll journal that records, assembles and classifies by pay period the name of employee, social security number, hours worked, wage rates, pay date, withholdings by type, net pay and other compensation paid to an employee (such as a termination payment), and the fund and account charged for the payments;
 - iii. Check register that includes, in numerical sequence, the check number, payee, net amount, and the date;
 - iv. Information regarding nonmonetary benefits such as car usage, life insurance, and health insurance; and,
 - v. Information, by employee, regarding leave balances and usage.

While the Village did maintain accounting records, regarding the payment of payroll, the Village lacked proper payroll records consisting of evidence of filing certain withholding and if applicable related employer portion of payroll taxes. The Village failed to file and submit payment for certain Federal, State, School District and Local payroll withholdings and if applicable employer portions for payroll paid during 2022.

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
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Finding Number	2022-003 – (continued)
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Lack of filing and payments timely of certain payroll withholding and employer match payments could put the Village at risk for penalties and interest and additionally could lead to a more costly audit and increases the risk for misappropriations.

We recommend that the Village contact the applicable agencies and arrange to file and make payment for outstanding payroll tax withholdings and applicable employer match payments.

Client Response: The Village Fiscal Officer will work with the agencies to file any outstanding payments.

Finding Number	2022-004
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Material Weakness/Noncompliance – Federal Withholding

26 US Code Sections 3102 and 3402 require the employing government to withhold federal and employment-related taxes (such as Medicare and Social Security) from each employee. Furthermore, these chapters hold employers liable for reporting and payment of these taxes.

The Village did not file or submit timely, Federal withholding and applicable employer matching reports and payments to the IRS for all four quarters in 2022. The total estimated unremitted and unpaid is \$4,000.

Lack of filing timely reports and remitting taxes due to the IRS may result in additional fines and penalties.

We recommend that the Village contact the IRS and work to immediately submit Federal employee withholdings/employer portions of taxes and remittances to the IRS in a timely fashion.

Client Response: The Village Fiscal Officer worked on submitting these in February 2023.

Finding Number	2022-005
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Material Weakness/Noncompliance – Other Withholdings

Ohio Revised Code Section 5747.06 requires every employer, including political subdivisions, maintaining an office or transacting business within this state and making payment of any compensation to any employee who is a taxpayer shall deduct and withhold from such compensation for each payroll period a tax computed in such manner as to result, as far as practicable, in withholding from the employee's compensation during each calendar year an amount substantially equivalent to the tax reasonably estimated to be due from the employee under this chapter and Chapter 5748 of the Revised Code with respect to the amount of such compensation included in the employee's adjusted gross income during the calendar year.

Ohio Revised Code Section 5747.07 (B) provides that, with certain exceptions, every employer is required to deduct and withhold any amount under Ohio Revised Code Section 5747.06 shall file a return and shall pay the amount required by law in accordance with guidelines provided by this section.

The Village did not remit all required State, School District, or Local income tax withholdings to the required agencies or itself for all quarters in 2022. Total estimated unremitted and unpaid is \$200 for School District withholding and \$208 for Ohio withholding. The Village withholds its own local tax, however, has not remitted those to itself. The total estimated amount is \$259.

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2022-005 - (continued)

Lack of filing timely reports and taxes due to the applicable agencies may result in additional fines and penalties.

We recommend that the Village immediately contact the agencies delinquent and submit/remit any filings/payments due for employee withholding taxes.

Client Response: The Village Fiscal Officer worked on filing the State and School District withholdings in February 2023.

Finding Number	2022-006
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Noncompliance

Ohio Revised Code Sections 5705.39 and 5705.36 require that a subdivision’s total appropriations from each fund should not exceed total estimated resources at year end or throughout the year.

For the year ended December 31, 2021, the Village had the following fund with appropriations over estimated resources.

	Appropriations	Estimated Resources	Excess
General Fund	\$ 313,861	\$ 307,922	\$ (5,939)

With appropriations exceeding estimated resources, the Village may spend more funds than in the Treasury or in process of collection and cause fund deficits.

We recommend the Village comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 and continually monitor appropriations versus estimated resources records. If it is determined that estimated resources will be different than initially anticipated, the Village should amend its estimate and also amend the appropriations as necessary; however, appropriations should not exceed estimated resources. Additionally, the Village should follow up with the County Auditor to ensure requested amendments are fulfilled.

Client Response: The Village will review future appropriations and estimated resources more closely in the future.

Finding Number	2022-007
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Noncompliance

Ohio Revised Code Section 5705.36(A)(1), requires Fiscal Officers to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.

The Village did not properly certify unencumbered fund balances at January 1, 2021.

The Village is not properly certifying its audited balances to the appropriate authorities as required by law.

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
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Finding Number	2022-007 – (continued)
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We recommend the Village consult the Ohio Compliance Supplement, the Village Officer’s Manual and its auditors to ensure that Village fund balances agree to audited reports. This will facilitate the Village’s appropriation process.

Client Response: The Village is attempting to verify balances agree to audited reports and submit revised information to the County if applicable.

Finding Number	2022-008
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Material Weakness/Noncompliance

Ohio Administrative Code Section 117-2-02(C)(1) states in part: “All local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system.” This means designing an accounting system to provide ongoing and timely information on budgetary receipts and appropriations.

The Villages receipts and disbursements for 2022 and 2021 in the accounting system did not agree to County Certified Amended certificates or Council approved appropriations.

The UAN system should incorporate estimated receipts/appropriations only certified/approved by the County Auditor/Village Council. Inaccurate information in the Village’s UAN system may put the Village at risk of over appropriating and/or overspending.

We recommend the Village comply with Ohio Administrative Code and sound financial reporting by implementing additional procedures to help ensure that only County certified estimated receipts and Village Council approved appropriations are included in the UAN system. This may be achieved by monitoring/reviewing more closely UAN monthly reports.

Client Response: The Village is aware of this requirement and will implement additional procedures to help ensure only approved amounts are included in the UAN system.

Finding Number	2022-009
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Material Weakness/Noncompliance – Amended and Supplemental Appropriations

Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section states that any amendments to an appropriation measure be made by Council resolution and comply with the same provisions of the law as used in making the original appropriations.

The Village did not properly modify its appropriations throughout 2022 and 2021 due to amending system appropriations without the approval of the Council via resolution.

By not timely and properly modifying the Village’s appropriations, the Village is not adequately monitoring appropriations versus disbursements.

We recommend the Village comply with Ohio Revised Code and Auditor of State Bulletin 97-010 by having all appropriation amendments approved by the Council via resolution.

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2022-009 – (continued)

Client Response: The Village is aware of the requirement for the Village Council to approve all appropriation amendments and are currently implementing additional policies and procedures to have all supplemental appropriations properly approved prior to including them in the Village’s accounting system.

Finding Number	2022-010
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Material Weakness/Noncompliance

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

The Village had 45.16% and 46.88% of tested disbursements that were not timely certified for the years ended December 31, 2022 and 2021, respectively.

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

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

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

Finding Number	2022-011
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Material Weakness/Noncompliance

Ohio Revised Code Section 9.38 provides that public money must be deposited with the Treasurer or with the designated depository on the business day following the day of receipt, if the total amount of such moneys received exceeds one thousand dollars. If the total amount of the public moneys so received does not exceed one thousand dollars, the person shall deposit the moneys on the business day next following the day of the receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited. The policy shall include provisions and procedures to safeguard the public moneys until they are deposited. Further, the Village utilizes Quickbooks to bill and receipt in sewer charges for services, however it was difficult to determine when receipts are actually received by the Village.

VILLAGE OF BUCKLAND
AUGLAIZE COUNTY, OHIO

SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2022 AND 2021

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2022-011 (continued)

It was noted during the audit that sewer receipts for 2022 and 2021 sewer receipts did not appear to be deposited timely in the allowable one to three business days, in accordance with the Ohio Revised Code Section 9.38. In reviewing customer statements, we noted that receipts were not easily identified as to when the receipt was collected by the Village Fiscal Officer. In addition, the posting date of the receipts in the utility billing software appears to be the deposit date by the Village, not the date collected from the customer.

As a result, not only is there risk of loss from burglary, misplacement, or misappropriation, but the cash is not available for expenditures or investment. Timely deposits also reduce the risk of receipts being lost, misappropriated, or improperly posted and going undetected by management. Lack of controls and documentation of when a receipt is collected could potentially cause a customer to be billed a penalty and interest for late payment. Further, lack of detailed documentation of when receipt was collected inhibits the ability to ensure timely deposit.

We recommend that the Village monitor collections and ensure that monies are deposited in accordance with state statute. This will improve cash flow and reduce the risk of loss. Further guidance regarding specific dollar amounts may be found in the Ohio Compliance Supplement. In addition, we recommend the Village stamp the receipts on the actual date received and input that date into the utility billing software system.

Client Response: The Village is continually trying to make improvements, but with limited staff, and its location, this often causes delay in postings.

**VILLAGE OF BUCKLAND
AUGLAIZE COUNTY, OHIO**

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

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2020-001	2010	<u>Material Weakness - Financial Statement Presentation</u> – Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Certain adjustments were made to the financial statements and notes.	Not Corrected	Repeated as finding 2022-001
2020-002	2014	<u>Material Weakness – Bank Reconciliation</u> – Bank reconciliations should be completed monthly and contain zero unidentified amounts. Monthly bank reconciliations that were completed did not balance to a zero unidentified amount and/or included old outstanding checks and deposits in transit	Not Corrected	Repeated as finding 2022-002
2020-003	2017	<u>Material Weakness/Noncompliance – Payroll Records</u> - Ohio Administrative Code 117-2-02(D) in part requires certain records to be maintained in a manual or computerized format. The Village lacked proper payroll records consisting of evidence of filing and remitting certain withholding and employer portion of payroll taxes,	Not Corrected	Repeated as finding 2022-003
2020-004	2017	<u>Noncompliance</u> – 26 US Code Sections 3102 and 3402 require withholding and submitting applicable amounts including certain employer matches. The Village did not remit filings or payments on certain quarterly federal withholdings or applicable employer matches.	Not Corrected	Repeated as finding 2022-004
2020-005	2017	<u>Noncompliance</u> - Ohio Revised Code Sections 5747.06 and 5747.07(B) require withholding and remittance of reporting and payment. The Village did not remit State, School District, or Local income tax withholdings to the required agencies.	Not Corrected	Repeated as finding 2022-005
2020-006	2017	<u>Noncompliance</u> – 5705.36, in part requires Fiscal Officers to certify to the County Auditor the total amount from all sources with are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. The Village did not certify the correct unencumbered fund balances at January 1, 2019.	Not Corrected	Repeated as finding 2022-007
2020-007	2017	<u>Material Weakness/Noncompliance</u> - Ohio Administrative Code Section 117-2-02(C)(1) in part requires integration of budgetary accounts and information into the financial accounting system. Certain deficiencies/discrepancies were noted when comparing the approved appropriations and resources to amounts included in the UAN system.	Not Corrected	Repeated as finding 2022-008

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BUCKLAND

AUGLAIZE 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 1/2/2024

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

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