



**PERRY**

**& Associates CPAs**

**PASSION** *Beyond the Numbers*

**VILLAGE OF YORKVILLE  
JEFFERSON COUNTY**

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



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Village Council  
Village of Yorkville  
139 Market Street  
Yorkville, Ohio 43917

We have reviewed the *Independent Auditor's Report* of the Village of Yorkville, Jefferson County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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 Yorkville is responsible for compliance with these laws and regulations.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

August 28, 2024

**This page intentionally left blank.**

VILLAGE OF YORKVILLE  
JEFFERSON COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2022 .....	4
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type - For the Year Ended December 31, 2022 .....	5
Notes to the Financial Statements For the Year Ended December 31, 2022 .....	6
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2021 .....	15
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type - For the Year Ended December 31, 2021 .....	16
Notes to the Financial Statements For the Year Ended December 31, 2021 .....	17
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	26
Schedule of Audit Findings .....	28
Summary Schedule of Prior Audit Findings .....	31

**This page intentionally left blank.**



## INDEPENDENT AUDITOR'S REPORT

Village of Yorkville  
Jefferson County  
139 Market Street  
Yorkville, Ohio 43917

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 Yorkville, Jefferson County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

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

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

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

#### ***Basis for Opinions***

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

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

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

***Basis for Additional Opinion Qualification***

The Village did not make prior period audit adjustments to correct several posting errors from 2019-2020 in the General fund for \$11,249, Street fund for (\$20,917), State Highway fund for (\$704), Water Operating fund for \$8,363, and Refuse fund for \$2,009. Due to the impact these adjustments would have on Special Revenue funds, the Village is unable to make this adjustment.

Had the posting errors noted in the preceding paragraph been properly to the financial statements and the accounting system; the General fund would have been increased \$11,249; the Special Revenue fund balance would have decreased \$21,621; and the Enterprise fund balance would have increased \$10,372.

***Additional Opinion Qualification***

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Modification* paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2022 and 2021, and the related notes of Village of Yorkville, Jefferson County, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***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 January 31, 2024, 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.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

January 31, 2024

**VILLAGE OF YORKVILLE  
JEFFERSON 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	Combined Total
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 154,583	\$ 165,387	\$ 319,970
Intergovernmental	51,789	145,615	197,404
Charges for Services	-	62,908	62,908
Fines, Licenses and Permits	15,129	2,360	17,489
Earnings on Investments	134	-	134
Miscellaneous	33,002	5,022	38,024
<i>Total Cash Receipts</i>	<u>254,637</u>	<u>381,292</u>	<u>635,929</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	44,790	200,805	245,595
Transportation	-	105,041	105,041
General Government	94,197	32,083	126,280
Capital Outlay	5,227	-	5,227
Debt Service:			
Principal Retirement	30,481	45,064	75,545
Interest and Fiscal Charges	1,728	9,791	11,519
<i>Total Cash Disbursements</i>	<u>176,423</u>	<u>392,784</u>	<u>569,207</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>78,214</u>	<u>(11,492)</u>	<u>66,722</u>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	-	5,000	5,000
Transfers Out	(5,000)	-	(5,000)
Advances In	15,000	-	15,000
Other Financing Sources	3,049	-	3,049
Other Financing Uses	(957)	-	(957)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>12,092</u>	<u>5,000</u>	<u>17,092</u>
<i>Net Change in Fund Cash Balances</i>	90,306	(6,492)	83,814
<i>Fund Cash Balances, January 1 (Restated - See Note 14)</i>	<u>18,088</u>	<u>122,140</u>	<u>140,228</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 108,394</u>	<u>\$ 115,648</u>	<u>\$ 224,042</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF YORKVILLE  
JEFFERSON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 614,831
<i>Total Operating Cash Receipts</i>	614,831
<b>Operating Cash Disbursements</b>	
Personal Services	139,837
Employee Fringe Benefits	65,341
Contractual Services	131,677
Supplies and Materials	62,758
Other	20
<i>Total Operating Cash Disbursements</i>	399,633
<i>Operating Income (Loss)</i>	215,198
<b>Non-Operating Receipts (Disbursements)</b>	
Special Assessments	40,981
Miscellaneous Receipts	1
Capital Outlay	(59,013)
Principal Retirement	(53,818)
Interest and Other Fiscal Charges	(13,894)
<i>Total Non-Operating Receipts (Disbursements)</i>	(85,743)
<i>Income (Loss) before Advances</i>	129,455
Advances Out	(15,000)
<i>Net Change in Fund Cash Balances</i>	114,455
<i>Fund Cash Balances, January 1</i>	357,145
<i>Fund Cash Balances, December 31</i>	\$ 471,600

The notes to the financial statements are an integral part of this statement.

**Village of Yorkville, Ohio**  
*Jefferson County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2022*

---

**Note 1 – Reporting Entity**

The Village of Yorkville (the Village), Jefferson 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 water, sewer, and sanitation utilities, police services, street maintenance, and general government services. The Village contracts with the Yorkville Volunteer Fire Department to receive fire protection.

**Public Entity Risk Pool**

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

**Ohio Municipal Joint Self-Insurance Pool**

The Ohio Municipal Joint Self-Insurance Pool, (the “Pool”) is an unincorporated non-profit association available to municipal corporations and their instrumentalities and provides property and casualty insurance for its members.

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

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

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

**Fund Accounting**

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

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

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

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

**Police Levy Fund** The police levy fund accounts for tax levy revenue to provide police services for Village residents.

**American Rescue Plan Act Fund** The American rescue plan act fund accounts for the grant received from the United States American Rescue Plan Act Funding.

**Fire/EMS Funds** These funds accounts for the provision of fire and EMS services to the residents. Proceeds from a tax levy and charges for services to pay for supplies and material for the fire department.

**Village of Yorkville, Ohio**  
*Jefferson County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2022*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

***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 sewer treatment and distribution to the residents and commercial users within the Village.

***Sanitation Fund*** The sanitation fund accounts for the collection of garbage to the residents and commercial users located within the Village.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

***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. The Village did not encumber all commitments required by Ohio law.

A summary of 2022 budgetary activity appears in Note 4.

***Deposits and Investments***

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

**Village of Yorkville, Ohio**  
*Jefferson County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2022*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Capital Assets**

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

**Accumulated Leave**

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

**Fund Balance**

Fund 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 12.

**Note 3 – Compliance**

Contrary to Ohio law, appropriations exceeded estimated resources in the General fund by \$26,351, the Street fund by \$6,303, and the Police Levy fund by \$148,250 for the year ended December 31, 2022. Additionally, expenditures exceeded appropriations in the Permissive MVL fund by \$10,000, the Water fund by \$426, and the Refuse fund by \$1,535 for the year ended December 31, 2022.

**Village of Yorkville, Ohio**  
*Jefferson County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**Note 4 – 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	\$ 242,935	\$ 257,686	\$ 14,751
Special Revenue	324,251	386,292	62,041
Enterprise	515,000	655,813	140,813
Total	\$ 1,082,186	\$ 1,299,791	\$ 217,605

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 287,374	\$ 183,130	\$ 104,244
Special Revenue	553,533	394,499	159,034
Enterprise	581,454	530,639	50,815
Total	\$ 1,422,361	\$ 1,108,268	\$ 314,093

**Note 5 – Deposits**

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. A summary of the Village's deposit accounts are as follows:

Demand deposits	\$ 474,130
Other time deposits (savings and NOW accounts)	221,512
Total deposits	\$ 695,642

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Village is holding \$0 in unremitted employee payroll withholdings.

**Deposits**

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

**Village of Yorkville, Ohio**  
*Jefferson County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2022*

---

**Note 6 – Taxes**

***Property Taxes***

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

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

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

**Note 7 – Risk Management**

***Risk Pool Membership***

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2022, retention levels are \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus at March 31, 2022.

Assets	\$ 909,464
Liabilities	<u>(1,109,394)</u>
Accumulated Surplus	\$ (199,930)



**Village of Yorkville, Ohio**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most 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 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. The Village has paid all contributions required through December 31, 2022.

***Social Security***

Three 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.

**Note 9 – 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.

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

**Village of Yorkville, Ohio**  
*Jefferson County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

---

**Note 10 – Debt**

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

	Principal	Interest Rate
Fire Truck Loan - US Bank	\$ 248,093	3.50%
Municipal Building Roof - WesBanco	24,435	4.45%
Municipal Building Roof - LGIF Ohio Dev Serv Agy	1,004	0.00%
Ohio Public Works Commission Loan #CN04W	37,850	0.00%
Ohio Water Development Authority Loan #8482	75,627	0.84%
Ohio Water Development Authority Loan #4765	182,932	4.47%
Total	\$ 569,941	

The US Bank Loan is for the purchase of a new Fire Truck for the Village. US Bank approved \$418,663 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$24,990.51, including interest, 22 years. A real estate tax levy collateralizes the loan. The Loan will be paid off in March 2028.

The WesBanco Loan is for the roof replacement on the main municipal building. The Village was approved for \$89,979. The Village will repay the loan in monthly installments of \$1,678.23, including interest over 5 years. The Loan will be paid off in October 2025.

The LGIF (Local Government Initiative Fund) is for Multi-purpose Building Energy Efficiency Projects. The Village was approved for up to \$56,038. The Village will repay the loan in quarterly installments of \$1,841.18 beginning in March 2018 with no interest. The loan will be paid off in March 2023.

The Ohio Public Work Commission (OPWC) loan #CN04W relates to a paving project on Market Street. The OPWC approved \$45,419.71 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$1,513.99 for 15 years with no interest. The loan will be repaid from the General Fund. The loan will be repaid in July 2035.

The Ohio Water Development Authority (OWDA) loan #8482 relates to a water/sewer project to replace outdated meters. The OWDA approved \$90,651.39 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$2,466.73, including interest, over 20 years. This loan will be repaid from the Water/Sewer Operating Funds and the Village agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan will be repaid July 2039.

The Ohio Water Development Authority (OWDA) loan #4765 relates to a catch basin improvement project mandated by the Ohio Environmental Protection Agency. The OWDA approved \$541,409.02 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$20,022, including interest, over 20 years. Water/Sewer Operating Funds collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan will be paid in January 2028.

**Village of Yorkville, Ohio**  
*Jefferson County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2022*

**Note 10 – Debt (Continued)**

***Amortization***

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

Year Ending December 31:	Fire Truck Loan	Wesbanco Building Roof Loan	LGIF	OPWC #CN04W
2023	\$ 49,981	\$ 20,139	\$ 1,004	\$ 1,514
2024	49,981	6,713	-	3,028
2025	49,981	-	-	3,028
2026	49,981	-	-	3,028
2027	49,981	-	-	3,028
2028-2032	24,991	-	-	15,140
2033-2037	-	-	-	9,084
Total	<u>\$ 274,896</u>	<u>\$ 26,852</u>	<u>\$ 1,004</u>	<u>\$ 37,850</u>

Year Ending December 31:	OWDA 8482	OWDA 4765	Total
2023	\$ 2,459	\$ 40,334	\$ 115,431
2024	4,918	40,490	105,130
2025	4,918	40,653	98,580
2026	4,918	40,823	98,750
2027	4,918	40,999	98,926
2028-2032	24,590	20,569	85,290
2033-2037	24,590	-	33,674
2038-2041	9,836	-	9,836
Total	<u>\$ 81,147</u>	<u>\$ 223,868</u>	<u>\$ 645,617</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.

**Village of Yorkville, Ohio**  
*Jefferson County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2022*

---

**Note 12 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 750	\$ 1,715	\$ 2,465
Total	\$ 750	\$ 1,715	\$ 2,465

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 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

During 2022, the Village received American Rescue Plan Act funding in the amount of \$53,148. This amount is reflected as general government expenditures in the American Rescue Plan Act Special Revenue Fund on the accompanying financial statements.

**Note 14 – Restatement of Beginning Fund Balance**

Beginning fund balance at January 1, 2022 was restated for the Village’s Special Revenue Fund due to voided checks. The following changes effected the beginning balances as such for the year ended December 31, 2022:

	Special Revenue
Balance as of December 31, 2021	\$ 121,540
To correct for voided checks	600
Balance as of January 1, 2022	\$ 122,140

**VILLAGE OF YORKVILLE  
JEFFERSON 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)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 150,645	\$ 101,129	\$ 251,774
Intergovernmental	47,496	126,756	174,252
Charges for Services	-	132,621	132,621
Fines, Licenses and Permits	19,044	-	19,044
Earnings on Investments	22	-	22
Miscellaneous	43,174	1,644	44,818
	<b>260,381</b>	<b>362,150</b>	<b>622,531</b>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	190,465	152,379	342,844
Transportation	-	85,901	85,901
General Government	124,191	55,853	180,044
Capital Outlay	68,048	20,273	88,321
Debt Service:			
Principal Retirement	35,125	45,144	80,269
Interest and Fiscal Charges	2,444	11,339	13,783
	<b>420,273</b>	<b>370,889</b>	<b>791,162</b>
<i>Total Cash Disbursements</i>	<b>420,273</b>	<b>370,889</b>	<b>791,162</b>
<i>Excess of Receipts Over (Under) Disbursements</i>	<b>(159,892)</b>	<b>(8,739)</b>	<b>(168,631)</b>
<b>Other Financing Receipts</b>			
Other Debt Proceeds	45,420	-	45,420
Other Financing Sources	2,372	-	2,372
	<b>47,792</b>	<b>-</b>	<b>47,792</b>
<i>Total Other Financing Receipts (Disbursements)</i>	<b>47,792</b>	<b>-</b>	<b>47,792</b>
<i>Net Change in Fund Cash Balances</i>	<b>(112,100)</b>	<b>(8,739)</b>	<b>(120,839)</b>
<i>Fund Cash Balances, January 1 (Restated - See Note 13)</i>	<b>130,188</b>	<b>130,279</b>	<b>260,467</b>
<i>Fund Cash Balances, December 31</i>	<b>\$ 18,088</b>	<b>\$ 121,540</b>	<b>\$ 139,628</b>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF YORKVILLE  
JEFFERSON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 558,371
<i>Total Operating Cash Receipts</i>	558,371
<b>Operating Cash Disbursements</b>	
Personal Services	126,276
Employee Fringe Benefits	69,027
Contractual Services	116,719
Supplies and Materials	77,236
Other	7,903
<i>Total Operating Cash Disbursements</i>	397,161
<i>Operating Income (Loss)</i>	161,210
<b>Non-Operating Receipts (Disbursements)</b>	
Special Assessments	37,802
Miscellaneous Receipts	5,496
Capital Outlay	(70,429)
Principal Retirement	(17,212)
Interest and Other Fiscal Charges	(5,263)
<i>Total Non-Operating Receipts (Disbursements)</i>	(49,606)
<i>Net Change in Fund Cash Balances</i>	111,604
<i>Fund Cash Balances, January 1 (Restated - See Note 13)</i>	245,541
<i>Fund Cash Balances, December 31</i>	\$ 357,145

The notes to the financial statements are an integral part of this statement.

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

---

**Note 1 – Reporting Entity**

The Village of Yorkville (the Village), Jefferson 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 water, sewer, and sanitation utilities, police services, street maintenance, and general government services. The Village contracts with the Yorkville Volunteer Fire Department to receive fire protection.

***Public Entity Risk Pool***

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

**Ohio Municipal Joint Self-Insurance Pool**

The Ohio Municipal Joint Self-Insurance Pool, (the “Pool”) is an unincorporated non-profit association available to municipal corporations and their instrumentalities and provides property and casualty insurance for its members.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

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

***Coronavirus Relief Fund*** The coronavirus relief fund accounts for the grant received from the United States CARES Act Funding.

***Fire/EMS Funds*** These funds accounts for the provision of fire and EMS services to the residents. Proceeds from a tax levy and charges for services to pay for supplies and material for the fire department.

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

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

***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 sewer treatment and distribution to the residents and commercial users within the Village.

***Sanitation Fund*** The sanitation fund accounts for the collection of garbage to the residents and commercial users located within the Village.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

***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. The Village did not encumber all commitments required by Ohio law.

A summary of 2021 budgetary activity appears in Note 4.

***Deposits and Investments***

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



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

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

Fund 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 11.

**Note 3 – Compliance**

Contrary to Ohio law, expenditures exceeded appropriations in the Street fund by \$13,015, the Permissive MVL fund by \$5,000, the Fire fund by \$13,466, and the EMS fund by \$4,461 for the year ended December 31, 2021.

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

**Note 4 – Budgetary Activity**

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 336,175	\$ 308,173	\$ (28,002)
Special Revenue	336,869	362,150	25,281
Enterprise	530,000	601,669	71,669
<b>Total</b>	<b>\$ 1,203,044</b>	<b>\$ 1,271,992</b>	<b>\$ 68,948</b>

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 432,409	\$ 432,030	\$ 379
Special Revenue	364,174	395,097	(30,923)
Enterprise	579,556	504,019	75,537
<b>Total</b>	<b>\$ 1,376,139</b>	<b>\$ 1,331,146</b>	<b>\$ 44,993</b>

**Note 5 – Deposits**

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. A summary of the Village's deposit accounts are as follows:

	2021
Demand deposits	\$ 275,395
Other time deposits (savings and NOW accounts)	221,378
Total deposits	<b>\$ 496,773</b>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Village is holding \$9,817 in unremitted employee payroll withholdings.

**Deposits**

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

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

---

**Note 6 – Taxes**

***Property Taxes***

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

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

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

**Note 7 – Risk Management**

***Risk Pool Membership***

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2021, retention levels are \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus at March 31, 2021.

Assets	\$ 824,661
Liabilities	<u>(554,038)</u>
Accumulated Surplus	\$ 270,623

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

---

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most 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 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. The Village has paid all contributions required through December 31, 2021.

***Social Security***

One Village council member 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.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

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

---

**Note 10 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
Truck Loan - Unified Bank	\$ 4,827	2.65%
Fire Truck Loan - US Bank	288,331	3.50%
Municipal Building Roof - WesBanco	44,523	4.45%
Municipal Building Roof - LGIF Ohio Dev Serv Agy	8,369	0.00%
Ohio Public Works Commission Loan #CN04W	40,878	0.00%
Ohio Water Development Authority Loan #8482	81,998	0.84%
Ohio Water Development Authority Loan #4765	230,378	4.47%
Total	<u>\$ 699,304</u>	

The Unified Bank Loan is for the purchase of a pickup truck for the Village. Unified Bank approved \$28,028.46 in loans to the Village for this project. The Village will repay the loan in monthly installments of \$541.87, including interest, over 5 years. The Street Fund revenue will collateralize the loan. The loan will be paid off in September 2022.

The US Bank Loan is for the purchase of a new Fire Truck for the Village. US Bank approved \$418,663 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$24,990.51, including interest, 22 years. A real estate tax levy collateralizes the loan. The Loan will be paid off in March 2028.

The WesBanco Loan is for the roof replacement on the main municipal building. The Village was approved for \$89,979. The Village will repay the loan in monthly installments of \$1,678.23, including interest over 5 years. The Loan will be paid off in October 2025.

The LGIF (Local Government Initiative Fund) is for Multi-purpose Building Energy Efficiency Projects. The Village was approved for up to \$56,038. The Village will repay the loan in quarterly installments of \$1,841.18 beginning in March 2018 with no interest. The loan will be paid off in March 2023.

The Ohio Public Work Commission (OPWC) loan #CN04W relates to a paving project on Market Street. The OPWC approved \$45,419.71 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$1,513.99 for 15 years with no interest. The loan will be repaid from the General Fund. The loan will be repaid in July 2035.

The Ohio Water Development Authority (OWDA) loan #8482 relates to a water/sewer project to replace outdated meters. The OWDA approved \$90,651.39 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$2,466.73, including interest, over 20 years. This loan will be repaid from the Water/Sewer Operating Funds and the Village agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan will be repaid July 2039. OWDA applied a (\$4) principal adjustment to the loan during 2021.

The Ohio Water Development Authority (OWDA) loan #4765 relates to a catch basin improvement project mandated by the Ohio Environmental Protection Agency. The OWDA approved \$541,409.02 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$20,022, including interest, over 20 years. Water/Sewer Operating Funds collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan will be paid in January 2028.

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

**Note 10 – Debt (Continued)**

***Amortization***

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

Year Ending December 31:	Truck Loan	Fire Truck Loan	Wesbanco Building Roof Loan	LGIF
2022	\$ 4,876	\$ 49,981	\$ 20,139	\$ 7,365
2023	-	49,981	20,139	1,004
2024	-	49,981	6,713	-
2025	-	49,981	-	-
2026	-	49,981	-	-
2027-2031	-	74,972	-	-
Total	<u>\$ 4,876</u>	<u>\$ 324,877</u>	<u>\$ 46,991</u>	<u>\$ 8,369</u>

Year Ending December 31:	OPWC #CN04W	OWDA 8482	OWDA 4765	Total
2022	\$ 1,514	\$ 4,918	\$ 40,186	\$ 128,979
2023	3,028	4,918	40,334	119,404
2024	3,028	4,918	40,490	105,130
2025	3,028	4,918	40,653	98,580
2026	3,028	4,918	40,823	98,750
2027-2031	15,140	24,590	61,568	176,270
2032-2036	12,112	24,590	-	36,702
2037-2041	-	14,754	-	14,754
Total	<u>\$ 40,878</u>	<u>\$ 88,524</u>	<u>\$ 264,054</u>	<u>\$ 778,569</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.

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

---

**Note 12 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 11,757	\$ 24,208	\$ 35,965
Total	\$ 11,757	\$ 24,208	\$ 35,965

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 13 – COVID-19**

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

During 2021, the Village received American Rescue Plan Act funding in the amount of \$52,637.41. This amount is reflected as general government expenditures in the American Rescue Plan Act Special Revenue Fund on the accompanying financial statements.

**Note 14 – Restatement of Fund Balances**

Beginning fund balance at January 1, 2021 was restated for the Village's General, Special Revenue, and Enterprise funds due to prior period audit adjustments, posting errors, and voided checks. The following changes effected the beginning balances as such for the year ended December 31, 2021:

	General	Special Revenue	Enterprise
Prior Audit Balance as of December 31, 2020	\$ 137,197	\$ 111,872	\$ 254,974
To account for prior audit adjustments not made	(11,249)	21,621	(10,372)
To correct for posting errors	3,699	(3,698)	-
To correct for voided checks	541	484	939
Balance as of January 1, 2021	\$ 130,188	\$ 130,279	\$ 245,541

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

Village of Yorkville  
Jefferson County  
139 Market Street  
Yorkville, Ohio 43917

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Yorkville, Jefferson County, (the Village) and have issued our report thereon dated January 31, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We qualified our opinion due to the Village not having funds available to make the re-proposed prior period audit adjustments.

***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 audit 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as item 2022-002 and 2022-003.

***Village's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying schedule of audit findings. The Village's responses were not subject 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'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.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

January 31, 2024

VILLAGE OF YORKVILLE  
JEFFERSON COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED 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 Reporting**

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure the information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- Receipts from Jefferson County for HB64 were misclassified as Property and Other Local Taxes instead of Intergovernmental in 2022;
- Prior audit adjustments were not made, resulting in inaccurate beginning fund balances; and
- OPWC Loan proceeds were not recorded in 2021.

Not posting receipts and fund balance adjustments accurately resulted in the financial statements requiring several reclassification and adjusting entries. The financial statements reflect all reclassifications, however, they do not reflect the adjustments as the Village was unable to make necessary adjustments.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Village Officer's Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

**Officials' Response** – Working to ensure all postings are accurate.

FINDING NUMBER 2022-002

**Noncompliance**

**Ohio Rev. Code Section 5705.39** requires that total appropriations from each fund not exceed total estimated fund resources from each fund. This section also requires the Village to obtain a County Auditor's certificate that total appropriations from each fund do not exceed the total official estimate or amended official estimate when amending estimated resources.

During 2022, total appropriations exceeded total estimated resources during the year for the General fund by \$26,351, the Street fund by \$6,303, and the Police Levy fund by \$148,250, due to not passing supplemental appropriation measures and increasing amended certificate of estimated resources.

**Ohio Revised Code Section 5705.41(B)** provides no subdivision shall make any expenditure of money unless it has been lawfully appropriated.

During 2021, expenditures exceeded appropriations in the Street fund by \$13,015, the Permissive MVL fund by \$5,000, the Fire fund by \$13,466, and the EMS fund by \$4,461. During 2022, in the Permissive MVL fund by \$10,000, the Water fund by \$426, and the Refuse fund by \$1,535.

VILLAGE OF YORKVILLE  
JEFFERSON COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2022-002 (CONTINUED)

In addition, during 2021 and 2022, the Village did not have a control procedure in place to ensure appropriations and estimated receipts, as authorized by the Village Council and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system.

This resulted in incorrect amounts posted to the accounting system and information available to Village officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate.

The Fiscal Officer and Council should monitor appropriations versus estimated resources, as well as expenditures versus appropriations to help avoid overspending and noncompliance. Officials should review the requirements of ORC section 5705 to be familiar with these laws and ensure the Village is complying with applicable sections.

**Officials' Response** – FO's didn't always forward resolutions to County Auditor.

FINDING NUMBER 2022-003

**Noncompliance**

**Ohio Revised Code Section 5705.41(D)** requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision's fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.
2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

VILLAGE OF YORKVILLE  
JEFFERSON COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2022-003 (CONTINUED)

3. Super Blanket Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 63% of expenditures tested during 2021 and 33% of expenditures tested during 2022.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, "then and now" certification should be used.

**Officials' Response** – Village is working on ensuring PO's are issued properly.

**VILLAGE OF YORKVILLE  
JEFFERSON COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Financial Reporting	Not Corrected	Repeated as Finding 2022-001
2020-002	Timely Posting of Transactions, Reconciliation Process, Council Monitoring	Corrected	N/A
2020-003	Utility Revenue Cycle	Not Corrected	Repeated in Management Letter
2020-004	Segregation of Duties	Corrected	N/A
2020-005	Budgetary	Corrected	N/A
2020-006	Certificate of Ending Balance	Corrected	N/A
2020-007	Appropriations	Corrected	N/A
2020-008	State Taxes	Corrected	N/A
2020-009	ORC 5705.39	Not Corrected	Repeated as finding 2022-002
2020-010	Payroll Withholdings	Corrected	N/A
2020-011	ORC 705.27	Corrected	N/A

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF YORKVILLE**

**JEFFERSON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 9/10/2024**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)