



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY
DECEMBER 31, 2022 AND 2021**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2022	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Proprietary Fund Types - For the Year Ended December 31, 2022	6
Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) - All Fiduciary Fund Types - For the Year Ended December 31, 2022	7
Notes to the Financial Statements for the Year Ended December 31, 2022	9
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2021	17
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Proprietary Fund Types - For the Year Ended December 31, 2021	18
Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) - All Fiduciary Fund Types - For the Year Ended December 31, 2021	19
Notes to the Financial Statements for the Year Ended December 31, 2021	21
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	29
Schedule of Findings.....	31
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	35

This page intentionally left blank.



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

Village of Senecaville
Guernsey County
P.O. Box 5
Senecaville, Ohio 43780

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *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.

Village of Senecaville
Guernsey County
Independent Auditor's Report
Page 3

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 7, 2025

This page intentionally left blank.

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

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$12,083	\$43,870	\$0	\$0	\$55,953
Intergovernmental	21,235	60,673	0	0	81,908
Special Assessments	0	0	8,560	0	8,560
Charges for Services	0	35,000	0	0	35,000
Fines, Licenses and Permits	75	0	0	0	75
Earnings on Investments	27	23	0	0	50
Miscellaneous	2,238	15,234	0	0	17,472
<i>Total Cash Receipts</i>	<i>35,658</i>	<i>154,800</i>	<i>8,560</i>	<i>0</i>	<i>199,018</i>
Cash Disbursements					
Current:					
Security of Persons and Property	8,026	27,067	0	0	35,093
Public Health Services	1,254	18,335	0	0	19,589
Leisure Time Activities	100	1,584	0	0	1,684
Basic Utility Services	0	30,573	0	0	30,573
Transportation	0	43,245	0	0	43,245
General Government	19,559	3,616	428	0	23,603
<i>Total Cash Disbursements</i>	<i>28,939</i>	<i>124,420</i>	<i>428</i>	<i>0</i>	<i>153,787</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>6,719</i>	<i>30,380</i>	<i>8,132</i>	<i>0</i>	<i>45,231</i>
Other Financing Receipts (Disbursements)					
Transfers In	204	0	0	0	204
<i>Total Other Financing Receipts (Disbursements)</i>	<i>204</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>204</i>
<i>Net Change in Fund Cash Balances</i>	<i>6,923</i>	<i>30,380</i>	<i>8,132</i>	<i>0</i>	<i>45,435</i>
<i>Fund Cash Balances, January 1</i>	<i>52,580</i>	<i>268,500</i>	<i>10,655</i>	<i>878</i>	<i>332,613</i>
<i>Fund Cash Balances, December 31</i>	<i><u>\$59,503</u></i>	<i><u>\$298,880</u></i>	<i><u>\$18,787</u></i>	<i><u>\$878</u></i>	<i><u>\$378,048</u></i>

See accompanying notes to the basic financial statements

Village of Senecaville

Guernsey County

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

Proprietary Fund Types

Enterprise

Operating Cash Receipts

Charges for Services	\$163,098
Miscellaneous	684
	<hr/>

Total Operating Cash Receipts

163,782

Operating Cash Disbursements

Personal Services	32,681
Employee Fringe Benefits	4,329
Contractual Services	41,894
Supplies and Materials	25,442
	<hr/>

Total Operating Cash Disbursements

104,346

Operating Income (Loss)

59,436

Non-Operating Receipts (Disbursements)

Special Assessments	32,063
Capital Outlay	(750)
Principal Retirement	(30,475)
Interest and Other Fiscal Charges	(20,542)
	<hr/>

Total Non-Operating Receipts (Disbursements)

(19,704)

Income (Loss) before Special item

39,732

Special Item

2,186

Net Change in Fund Cash Balances

41,918

Fund Cash Balances, January 1

108,104

Fund Cash Balances, December 31

\$150,022

See accompanying notes to the basic financial statements

Village of Senecaville

Guernsey County

Statement of Additions, Deductions

and Changes in Fund Balances (Regulatory Cash Basis)

All Fiduciary Fund Types

For the Year Ended December 31, 2022

	<u>Fiduciary Fund Types</u>
	<u>Custodial</u>
	<u>Other</u>
Additions	
Fines, Licenses and Permits for Distribution	<u>\$240</u>
<i>Total Additions</i>	<u>240</u>
Deductions	
Distributions to Other Governments	<u>197</u>
Other Distributions	<u>204</u>
<i>Total Deductions</i>	<u>401</u>
<i>Net Change in Fund Balances</i>	<u>(161)</u>
<i>Fund Cash Balances, January 1</i>	<u>161</u>
<i>Fund Cash Balances, December 31</i>	<u>\$0</u>

See accompanying notes to the basic financial statements

This page intentionally left blank.

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

Note 1 - Reporting Entity

The Village of Senecaville (the Village), Guernsey 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 services include general government services, street maintenance, sewer utility services and park operations. The Village contracts with Richland Township for the police and fire protection services.

The Village participates in the Public Entities Pool of Ohio, a risk-sharing pool available to Ohio local governments that provides property and casualty coverage for its members. (Note 7 to the financial statements provide addition information for this entity)

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair – The street construction maintenance and repair fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining, and repairing Village streets.

Fire Levy Fund – The fire levy fund receives money from a tax levy approved by voters to provide fire protection services for the Village.

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

Police Levy Fund – The police levy fund receives money from a tax levy approved by voters to provide police protection service for the Village

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

Special Assessment Debt Service Fund – The special assessment debt service fund receives special assessment monies for the repayment of debt relating to sewer engineering costs.

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

Municipal Building Construction Fund - The municipal building construction fund accounts for the potential construction of a new municipal building.

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:

Sewer Operating Fund - The sewer operating fund receives charges for services from resident to cover sewer service cost.

Sewer Debt Fund – This fund receives an allocation of sewer revenues for retirement of debts.

Fiduciary Funds Fiduciary funds include custodial funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in trust fund. The Village's custodial fund accounts for fines, bonds and costs generated by the Mayor's Court. Fine money is disbursed to the State Treasurer, the Village, City of Cambridge, and Guernsey County.

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

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. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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

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

A summary of 2022 budgetary activity appears in Note 4.

Fund Balance

Fund balance is divided into three 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:

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.

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 balances in the general fund is limited to encumbrances outstanding at the 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.

Property, Plant, and Equipment

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

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

Equity in Pooled Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in all funds for the year ended December 31, 2022, as the Council did not approve an appropriation measure for the year.

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	\$24,881	\$35,862	\$10,981
Special Revenue	126,722	154,800	28,078
Debt Service	1,500	8,560	7,060
Enterprise	155,000	198,031	43,031
Total	<u>\$308,103</u>	<u>\$397,253</u>	<u>\$89,150</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$28,939	(\$28,939)
Special Revenue	0	124,420	(124,420)
Debt Service	0	428	(428)
Enterprise	0	156,113	(156,113)
Total	<u>\$0</u>	<u>\$309,900</u>	<u>(\$309,900)</u>

Note 5 – Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. A summary of the Village's deposit account is as follows:

	2022
Demand deposits	<u>\$528,070</u>

Deposits are insured by the Federal Depository 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 Senecaville, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 – Taxes

Property Tax

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 February 22. If the property owner elects to pay semiannually, the first half is due February 22. 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.

Note 7 - Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31:

2022

Cash and investments	\$ 42,310,794
Actuarial liabilities	\$ 15,724,479

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

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

Village's elected council officials 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

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022.

Note 10 – Debt

Debt outstanding at December 31, 2022 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loan	\$5,787	0.0%
USDA Loan	<u>\$417,048</u>	4.5%
Total	<u>\$422,835</u>	

The Ohio Public Works Commission interest free loan (OPWC) obtained in 2002 relates to improvements to the Village sewer system. The loan will be repaid in semiannual installments of \$5,787, over 20 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The USDA Rural Development Sanitary Sewer Mortgage Revenue Bonds were obtained in June of 2002 for the purpose of paying cost of constructing and improvements to the Village's sewer system.

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

The bonds were scheduled to be repaid over 40 years however the Village has made additional principal payments resulting in the bonds being retired in less than 40 years. The bonds are secured by the revenues generated by the sewer system and mortgage upon the sewer system. The village has agreed to set sewer rates sufficient to cover the debt service requirements. As required by the mortgage revenue covenant, the Village has established and funded a Sewer Debt Sinking Fund and Sewer Debt Reserve Fund.

Amortization

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

Year Ending December 31:	OPWC Loan	USDA Loan
2023	\$5,787	\$39,592
2024		39,496
2025		39,565
2026		39,588
2027		39,467
2028-2032		197,677
2033-2037		197,763
2038		26,115
Total	<u>\$5,787</u>	<u>\$619,263</u>

Note 11– 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. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

During 2022, the Village received \$23,704 of state and local fiscal recovery funds. These amounts are recorded in the applicable Special Revenue Fund.

Note 12 – Fund Balance

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpended corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the Village had no unclaimed monies, no permanent funds or encumbrances outstanding.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned.

This page intentionally left blank.

Village of Senecaville

Guernsey County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*

All Governmental Fund Types

For the Year Ended December 31, 2021

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$11,479	\$43,798	\$0	\$0	\$55,277
Intergovernmental	20,323	60,392	0	0	80,715
Special Assessments	0	0	2,891	0	2,891
Charges for Services	0	30,401	0	0	30,401
Fines, Licenses and Permits	50	0	0	0	50
Earnings on Investments	35	19	0	0	54
Miscellaneous	23,404	13,759	0	0	37,163
<i>Total Cash Receipts</i>	<i>55,291</i>	<i>148,369</i>	<i>2,891</i>	<i>0</i>	<i>206,551</i>
Cash Disbursements					
Current:					
Security of Persons and Property	7,603	33,890	0	0	41,493
Public Health Services	1,398	11,367	0	0	12,765
Leisure Time Activities	0	2,086	0	0	2,086
Basic Utility Services	0	11,346	0	0	11,346
Transportation	0	33,879	0	0	33,879
General Government	23,047	3,912	145	0	27,104
<i>Total Cash Disbursements</i>	<i>32,048</i>	<i>96,480</i>	<i>145</i>	<i>0</i>	<i>128,673</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>23,243</i>	<i>51,889</i>	<i>2,746</i>	<i>0</i>	<i>77,878</i>
Other Financing Receipts (Disbursements)					
Transfers In	771	0	0	0	771
<i>Total Other Financing Receipts (Disbursements)</i>	<i>771</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>771</i>
<i>Net Change in Fund Cash Balances</i>	<i>24,014</i>	<i>51,889</i>	<i>2,746</i>	<i>0</i>	<i>78,649</i>
<i>Fund Cash Balances, January 1</i>	<i>28,566</i>	<i>216,611</i>	<i>7,909</i>	<i>878</i>	<i>253,964</i>
<i>Fund Cash Balances, December 31</i>	<i>\$52,580</i>	<i>\$268,500</i>	<i>\$10,655</i>	<i>\$878</i>	<i>\$332,613</i>

See accompanying notes to the basic financial statements

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

	<u>Proprietary Fund Types</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$150,362
Miscellaneous	225
	<u>150,587</u>
<i>Total Operating Cash Receipts</i>	<u>150,587</u>
Operating Cash Disbursements	
Personal Services	34,308
Employee Fringe Benefits	5,740
Contractual Services	47,409
Supplies and Materials	<u>48,452</u>
	<u>135,909</u>
<i>Total Operating Cash Disbursements</i>	<u>135,909</u>
<i>Operating Income (Loss)</i>	<u>14,678</u>
Non-Operating Receipts (Disbursements)	
Special Assessments	21,139
Capital Outlay	(750)
Principal Retirement	(29,775)
Interest and Other Fiscal Charges	<u>(21,361)</u>
	<u>(30,747)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(30,747)</u>
<i>Income (Loss) before Special Item</i>	(16,069)
Special Item	<u>2,181</u>
<i>Net Change in Fund Cash Balances</i>	<u>(13,888)</u>
<i>Fund Cash Balances, January 1</i>	<u>121,992</u>
<i>Fund Cash Balances, December 31</i>	<u>\$108,104</u>

See accompanying notes to the basic financial statements

Village of Senecaville

Guernsey County

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

	<u>Fiduciary Fund Types</u>
	<u>Custodial</u>
	<u>Other</u>
	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	<u>\$200</u>
<i>Total Additions</i>	<u>200</u>
Deductions	
Distributions to Other Governments	<u>39</u>
Other Distributions	<u>771</u>
<i>Total Deductions</i>	<u>810</u>
<i>Net Change in Fund Balances</i>	<u>(610)</u>
<i>Fund Cash Balances, January 1</i>	<u>771</u>
<i>Fund Cash Balances, December 31</i>	<u>\$161</u>

See accompanying notes to the basic financial statements

This page intentionally left blank.

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

Note 1 - Reporting Entity

The Village of Senecaville (the Village), Guernsey 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 services include general government services, street maintenance, sewer utility services and park operations. The Village contracts with Richland Township for the police and fire protection services.

The Village participates in the Public Entities Pool of Ohio, a risk-sharing pool available to Ohio local governments that provides property and casualty coverage for its members. (Note 7 to the financial statements provide addition information for this entity)

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair – The street construction maintenance and repair fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining, and repairing Village streets.

Fire Levy Fund – The fire levy fund receives money from a tax levy approved by voters to provide fire protection services for the Village.

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

Police Levy Fund – The police levy fund receives money from a tax levy approved by voters to provide police protection service for the Village

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

Special Assessment Debt Service Fund – The special assessment debt service fund receives special assessment monies for the repayment of debt relating to sewer engineering costs.

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

Municipal Building Construction Fund - The municipal building construction fund accounts for the potential construction of a new municipal building.

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:

Sewer Operating Fund - The sewer operating fund receives charges for services from resident to cover sewer service cost.

Sewer Debt Fund – This fund receives an allocation of sewer revenues for retirement of debts.

Fiduciary Funds Fiduciary funds include custodial funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in trust fund. The Village's custodial fund accounts for fines, bonds and costs generated by the Mayor's Court. Fine money is disbursed to the State Treasurer, the Village, City of Cambridge, and Guernsey County.

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(D). 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(D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

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. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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

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

A summary of 2021 budgetary activity appears in Note 4.

Fund Balance

Fund balance is divided into three 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:

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.

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 balances in the general fund is limited to encumbrances outstanding at the 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.

Property, Plant, and Equipment

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

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

Equity in Pooled Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriations in all funds between January 1, 2021 and March 10, 2021, as the Council had not passed a temporary appropriation resolution and the permanent appropriation resolution was not passed until March 10, 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	\$23,669	\$56,062	\$32,393
Special Revenue	108,857	148,370	39,513
Debt Service	1,000	2,891	1,891
Enterprise	150,000	171,726	21,726
Total	<u>\$283,526</u>	<u>\$379,049</u>	<u>\$95,523</u>

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$52,158	\$32,048	\$20,110
Special Revenue	301,952	96,480	205,472
Debt Service	2,000	145	1,855
Enterprise	221,620	187,795	33,825
Total	<u>\$577,730</u>	<u>\$316,468</u>	<u>\$261,262</u>

Note 5 – Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. A summary of the Village's deposit account is as follows:

	2021
Demand deposits	\$440,878

Deposits are insured by the Federal Depository 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 Senecaville, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 – Taxes

Property Tax

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 February 22. If the property owner elects to pay semiannually, the first half is due February 22. 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.

Note 7 - Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31:

2021

Cash and investments	\$ 41,996,850
Actuarial liabilities	\$ 14,974,099

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

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

Village's elected council officials 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

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

Note 10 – Debt

Debt outstanding at December 31, 2021 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loan	\$17,362	0.0%
USDA Loan	\$456,491	4.5%
Total	\$473,853	

The Ohio Public Works Commission interest free loan (OPWC) obtained in 2002 relates to improvements to the Village sewer system. The loan will be repaid in semiannual installments of \$5,787, over 20 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The USDA Rural Development Sanitary Sewer Mortgage Revenue Bonds were obtained in June of 2002 for the purpose of paying cost of constructing and improvements to the Village's sewer system.

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

The bonds were scheduled to be repaid over 40 years however the Village has made additional principal payments resulting in the bonds being retired in less than 40 years. The bonds are secured by the revenues generated by the sewer system and mortgage upon the sewer system. The village has agreed to set sewer rates sufficient to cover the debt service requirements. As required by the mortgage revenue covenant, the Village has established and funded a Sewer Debt Sinking Fund and Sewer Debt Reserve Fund.

Amortization

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

Year Ending December 31:	OPWC Loan	USDA Loan
2022	\$11,575	\$39,442
2023	5,787	39,592
2024		39,496
2025		39,565
2026		39,588
2027-2031		197,600
2032-2036		197,726
2037-2038		65,696
Total	<u><u>\$17,362</u></u>	<u><u>\$658,705</u></u>

Note 11– 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. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

During 2021, the Village received \$23,517 in state and local fiscal recovery funds. These amounts are recorded in the applicable Special Revenue Fund.

Note 12 – Fund Balance

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpended corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the Village had no unclaimed monies, no permanent funds or encumbrances outstanding.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned.

This page intentionally left blank.



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Village of Senecaville
Guernsey County
P.O. Box 5
Senecaville, Ohio 43780

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Senecaville, Guernsey County, Ohio (the Village) and have issued our report thereon dated August 7, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2022-001 through 2022-003 that we consider to be material weaknesses.

Village of Senecaville
Guernsey County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2022-001.

Purpose of this Report

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 7, 2025

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

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

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

FINDING NUMBER 2022-001

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1.

Also, Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

The Council did not adopt a permanent appropriation measure for 2022 and did not adopt a permanent appropriation measure for 2021 until March 10, 2021. The Village did not adopt a temporary appropriation measure in 2022 or 2021 to cover the beginning of the year until passage of the permanent appropriation measure. As a result, all expenditures in 2022 and all expenditures between January 1, 2021 and March 10, 2021, lacked legal appropriation authority.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Village should pass an appropriation measure on or about the first day of each fiscal year. If the Village adopts a temporary measure, they must adopt a permanent measure no later than April 1. The Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

FINDING NUMBER 2022-002

Material Weakness

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

The Ohio Village Officer's Handbook (revised August 2020) provides suggested account classifications. These accounts classify receipts by fund and source (property taxes or intergovernmental revenue, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications and the aforementioned accounting records will provide the Village with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

The Village did not always record receipts into accurate classifications based upon the source of the receipt.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

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

FINDING NUMBER 2022-002 (Continued)

Material Weakness (Continued)

The following errors were identified in the accompanying financial statements and notes to the financial statements:

- Special assessments received from the County Auditor were posted to Charges for Services instead of Special Assessments in the Sewer Operating Fund in 2022 and 2021 in the amounts of \$32,063 and \$21,139, respectively.
- 2022 budgeted receipts in the Budgetary Activity note to the financial statements did not agree to the amount certified by the County Budget Commission for the Enterprise Fund. Budgeted receipts were overstated by \$153,103.
- 2021 budgeted receipts in the Budgetary Activity note to the financial statements did not agree to the amount certified by the County Budget Commission for the Special Revenue and Enterprise Funds. Budgeted receipts were understated by \$89,487 and \$50,000, respectively.
- 2021 budgetary appropriation authority in the Budgetary Activity note to the financial statements did not agree to the amounts approved by Village Council for the General, Special Revenue and Enterprise Funds. Appropriation authority was understated by \$28,681, \$241,132 and \$221,620, respectively.

These errors were the result of inadequate policies and procedures in reviewing the financial statements and notes to the financial statements. Not properly reporting financial activity could result in material misstatements occurring and remaining undetected and increases the risk that management would not be provided an accurate picture of the Village's financial position and operations. The accompanying financial statements and notes to the financial statements have been adjusted to correct these reclassifications and errors.

The Fiscal Officer should utilize available resources, such as the Ohio Village Handbook and UAN User Manual, to appropriately classify and record all receipt transactions. This guidance will help ensure the Fiscal Officer makes proper postings to receipt account classifications based on the source of the receipt. Further, a final review of the notes to the financial statements by the Fiscal Officer, Mayor and/or Council member, should be performed to help identify and correct errors and omissions.

FINDING NUMBER 2022-003

Material Weakness

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters.

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

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

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

FINDING NUMBER 2022-003 (Continued)

Material Weakness (Continued)

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Village, and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amounts appropriated by the Council are precisely stated and accurately posted to the appropriation ledger.

Appropriations were not input into the Village's accounting system in the correct amounts as follows:

- 2022 General Fund appropriation authority was overstated by \$32,500;
- 2022 Special Revenue Fund appropriation authority was overstated by \$297,903;
- 2022 Debt Service Fund appropriation authority was overstated by \$500;
- 2022 Enterprise Fund appropriation authority was overstated by \$215,243.

We also noted the amounts input into the Village's Budgetary Activity notes to the financial statements did not agree to the approved appropriations or appropriations input into the Village's accounting system. This caused the following errors in the Village's Budgetary Activity notes to the financial statements when compared to the approved amounts:

- 2022 General Fund appropriation authority was overstated by \$23,477;
- 2022 Special Revenue Fund appropriation authority was overstated by \$60,820;
- 2022 Debt Service Fund appropriation authority was overstated by \$2,000.

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Council were not properly posted to the accounting system.

Failure to accurately post the appropriations to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers, on a timely basis, appropriations approved by the Council. The Village should then monitor budget versus actual reports to help ensure appropriations have been properly posted to the ledgers.

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

This page intentionally left blank.

Village of Senecaville
202 West Alley
P. O. Box 5
Senecaville, Ohio 43780
Telephone: 740-685-8279

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022 AND 2011**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Ohio Admin. Code § 117-2-02(A) – Material weakness for Mayor's Court deficiencies.	Finding No Longer Valid	The Village no longer has a Mayor's court.
2020-002	Material Weakness for posting errors.	Not Corrected	Reissued as Finding Number 2022-002.
2020-003	Ohio Rev. Code § 5705.39 – appropriations exceeded estimated resources	Fully Corrected	This was corrected.

This organization is an equal opportunity employer.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SENECAVILLE

GUERNSEY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/26/2025

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