



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF WASHINGTONVILLE
COLUMBIANA COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Village of Washingtonville
Columbiana County
PO Box 307
Washingtonville, Ohio 44490

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 Washingtonville, Columbiana 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Village of Washingtonville
Columbiana County
Independent Auditor's Report
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- 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 December 24, 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 24, 2024

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Village of Washingtonville, Ohio
Columbiana County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$20,109	\$79,862		\$99,971
Municipal Income Tax	64,899			64,899
Intergovernmental	33,337	61,341		94,678
Special Assessments	583			583
Fines, Licenses and Permits	12,975			12,975
Miscellaneous	398	280		678
<i>Total Cash Receipts</i>	<u>132,301</u>	<u>141,483</u>	<u>0</u>	<u>273,784</u>
Cash Disbursements				
Current:				
Security of Persons and Property	28,414	85,045		113,459
Community Environment	2,078			2,078
Transportation		31,346		31,346
General Government	121,427			121,427
Capital Outlay	1,689	611		2,300
<i>Total Cash Disbursements</i>	<u>153,608</u>	<u>117,002</u>	<u>0</u>	<u>270,610</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(21,307)</u>	<u>24,481</u>	<u>0</u>	<u>3,174</u>
<i>Net Change in Fund Cash Balances</i>	<u>(21,307)</u>	<u>24,481</u>	<u>0</u>	<u>3,174</u>
<i>Fund Cash Balances, January 1</i>	<u>114,226</u>	<u>265,512</u>	<u>\$1,961</u>	<u>381,699</u>
<i>Fund Cash Balances, December 31</i>	<u>\$92,919</u>	<u>\$289,993</u>	<u>\$1,961</u>	<u>\$384,873</u>

See accompanying notes to the basic financial statements

Village of Washingtonville, Ohio
Columbiana County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2023

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$479,010</u>
<i>Total Operating Cash Receipts</i>	<u>479,010</u>
Operating Cash Disbursements	
Personal Services	112,118
Employee Fringe Benefits	54,521
Contractual Services	170,679
Supplies and Materials	<u>30,323</u>
<i>Total Operating Cash Disbursements</i>	<u>367,641</u>
<i>Operating Income</i>	<u>111,369</u>
Non-Operating Receipts (Disbursements)	
Loans Issued	15,000
Miscellaneous Receipts	872
Capital Outlay	(27,086)
Principal Retirement	(44,018)
Interest and Other Fiscal Charges	<u>(21,108)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(76,340)</u>
<i>Net Change in Fund Cash Balances</i>	35,029
<i>Fund Cash Balances, January 1</i>	<u>282,773</u>
<i>Fund Cash Balances, December 31</i>	<u>\$317,802</u>

See accompanying notes to the basic financial statements

Village of Washingtonville, Ohio
Columbiana County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2023

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
	<u>Other</u>
Additions	
Fines, Licenses and Permits for Distribution	<u>\$ 6,966</u>
<i>Total Additions</i>	<u>6,966</u>
Deductions	
Distributions to Other Governments	<u>10,332</u>
<i>Total Deductions</i>	<u>10,332</u>
<i>Net Change in Fund Balances</i>	<u>(3,366)</u>
<i>Fund Cash Balances, January 1</i>	<u>12,394</u>
<i>Fund Cash Balances, December 31</i>	<u>\$9,028</u>

See accompanying notes to the basic financial statements

**Village of Washingtonville
Columbiana County, Ohio**
Notes to the Financial Statements
For The Year Ended December 31, 2023

NOTE 1 - REPORTING ENTITY

The Village of Washingtonville, Columbiana/Mahoning Counties, (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with the Green Township Volunteer Fire Department to provide fire protection.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 6 to the financial statements provide additional 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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all 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 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 Fund – 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 Fund – The Police Fund accounts for and reports that amount of property tax money that has been levied for the security of persons and property.

Fire Fund – The Fire Fund accounts for and reports that amount of property tax money that has been levied for the purpose of fire protection for the Village.

Capital Project Fund: 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.

**Village of Washingtonville
Columbiana County, Ohio**
Notes to the Financial Statements
For The Year Ended December 31, 2023

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 Operating Fund – The Water Operating Fund accounts for the purchase of water from the City of Salem and the distribution of water to the residents and commercial users located within the Village, as well as users located outside of the Village.

Sewer Operating Fund – The Sewer Operating Fund accounts for the providing of Sanitary sewer services to the residents and commercial users within the Village, as well as users located outside of the Village.

Sewer Capital Fund – The Sewer Capital Fund accounts for the fees that are paid by consumers for the retirement of long term debt that the Village has for the improvement of the Village's sewer system.

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for the financial activity of the Village's Mayor's Court, Computer, and Fire Removal.

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 Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

Appropriations: Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. 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 carried over, and need not be re-appropriated. The Village did not use the encumbrance method of accounting.

A summary of 2023 budgetary activity appears in Note 3.

**Village of Washingtonville
Columbiana County, Ohio**
Notes to the Financial Statements
For The Year Ended December 31, 2023

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.

Capital Assets

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

Fund Balance

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

Nonspendable: The Village classifies assets as non-spendable 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 give years before they may be utilized by the Village and the nonexpendable portion of the corpus of 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 or ordinance). The Village must adhere to these commitments unless Council amends the resolution or ordinance. 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 10.

**Village of Washingtonville
Columbiana County, Ohio**
 Notes to the Financial Statements
 For The Year Ended December 31, 2023

NOTE 3 – BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$186,700	\$132,301	\$ 54,399
Special Revenue	152,050	141,483	10,567
Enterprise	<u>483,500</u>	<u>494,882</u>	<u>11,382</u>
Total	\$822,250	\$768,666	\$53,584

2023 Budgeted vs. Actual Budgetary Basis Disbursements

Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$291,025	\$155,541	\$135,484
Capital Projects	1,961	0	1,961
Special Revenue	410,882	118,400	292,482
Enterprise	<u>714,861</u>	<u>461,853</u>	<u>253,008</u>
Total	\$1,418,729	\$735,794	\$682,935

NOTE 4 – DEPOSITS AND INVESTMENTS

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

2023

Demand Deposits	\$ 710,994
Savings Account	<u>709</u>
Total Deposits	\$ 711,703

Deposits

Deposits are 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 Washingtonville
Columbiana County, Ohio**
Notes to the Financial Statements
For The Year Ended December 31, 2023

NOTE 5 – TAXES

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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 semi-annually, 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.

Columbiana County and Mahoning County are responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

Income Taxes

In December 2017, the Village Council passed an ordinance levying a one-half percent (0.5%) municipal income tax on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. The income tax became effective January 1, 2018. The Village's Income Tax was repealed at the election on November 6, 2018. The repeal became effective on November 25, 2018.

In December 2019, the Village Council passed an ordinance levying a one-half percent (0.5%) municipal income tax on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. The income tax became effective January 1, 2020. On December 18, 2023, the Village Council passed legislation to increase the Village income tax from 0.5% to 1.0% to be effective April 1, 2024. The Village uses the Regional Income Tax Agency for the collection of income taxes.

NOTE 6 – RISK MANAGEMENT

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 Village's policy. The Pool covers the following risks:

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

**Village of Washingtonville
Columbiana County, Ohio**
Notes to the Financial Statements
For The Year Ended December 31, 2023

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

<u>2023</u>	
Cash and investments	\$43,996,442
Actuarial liabilities	19,743,401

NOTE 7 – DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Employees of the Village 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 member 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, 2023.

Social Security

Some of the Village's elected officials contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The Village contributed an amount equal to 6.2% of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

NOTE 8 – POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

NOTE 9 - DEBT

Debt outstanding at December 31, 2023 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
USDA Sewer Construction Loan	\$442,000	4.50%
OWDA Loan #9018	12,244	0.00
OWDA Loan #7898	36,928	0.59
OWDA Loan #8398	3,051	0.00

**Village of Washingtonville
Columbiana County, Ohio**
 Notes to the Financial Statements
 For The Year Ended December 31, 2023

The USDA Loan was for the updating of the Village's sanitary sewer system, and is being paid back by a sewer surcharge that is levied monthly to users of the Village's sanitary sewer system.

The OWDA Loan #9018 was for the construction of a new water tower. This loan is being paid back through user fees. The loan has not been finalized and therefore the repayments schedule is not included in the schedule of debt service payments.

The OWDA Loan #7898 was for the installation of a Trihalomethane Removal System in the Village's water storage tank to be in conformance with Ohio EPA regulations. This loan is being paid back through user fees.

The OWDA Loan #8398 was for the creation of a Water Department Asset Management Plan. This loan is being paid back through user fees.

Amortization of the above debt is scheduled as follows:

<u>USDA Loan</u> <u>Year Ending December 31:</u>	<u>OWDA Loan #7898</u> <u>Year Ending December 31:</u>	<u>OWDA Loan #8398</u> <u>Year Ending December 31:</u>
2024 42,890	2024 6,834	2024 2,034
2025 42,855	2025 6,833	2025 1,017
2026 43,775	2026 6,834	
2027 43,605	2027 6,833	
2028 43,390	2028 6,834	
2029-2033 216,015	2029 3,417	
2034-2037 172,820		
 Totals	\$605,350	\$3,051

Note 10 – 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	Special		
	General	Revenue	Total
Outstanding Encumbrances	\$ 1,933	\$ 1,398	\$ 3,331
<i>Total</i>	<u>\$1,933</u>	<u>\$1,398</u>	<u>\$3,331</u>

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

Village of Washingtonville, Ohio
Columbiana 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	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$17,702	\$74,914		\$92,616
Municipal Income Tax	43,784			43,784
Intergovernmental	34,768	101,042		135,810
Fines, Licenses and Permits	34,031			34,031
Earnings on Investments		1		1
Miscellaneous	2,808	1,128		3,936
<i>Total Cash Receipts</i>	<u>133,093</u>	<u>177,085</u>	<u>0</u>	<u>310,178</u>
Cash Disbursements				
Current:				
Security of Persons and Property	22,707	91,237		113,944
Public Health Services	3			3
Community Environment	1,385			1,385
Transportation		75,671		75,671
General Government	115,600			115,600
Capital Outlay	4,441	7,111		11,552
<i>Total Cash Disbursements</i>	<u>144,136</u>	<u>174,019</u>	<u>0</u>	<u>318,155</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(11,043)</u>	<u>3,066</u>	<u>0</u>	<u>(7,977)</u>
Other Financing Receipts				
Other Financing Sources	131			131
<i>Total Other Financing Receipts</i>	<u>131</u>	<u>0</u>	<u>0</u>	<u>131</u>
<i>Net Change in Fund Cash Balances</i>	<u>(10,912)</u>	<u>3,066</u>	<u>0</u>	<u>(7,846)</u>
<i>Fund Cash Balances, January 1</i>	<u>125,138</u>	<u>262,446</u>	<u>\$ 1,961</u>	<u>389,545</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$114,226</u></u>	<u><u>\$265,512</u></u>	<u><u>\$1,961</u></u>	<u><u>\$381,699</u></u>

See accompanying notes to the basic financial statements

Village of Washingtonville, Ohio
Columbiana County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2022

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$428,383</u>
<i>Total Operating Cash Receipts</i>	<u>428,383</u>
Operating Cash Disbursements	
Personal Services	118,318
Employee Fringe Benefits	63,817
Contractual Services	121,237
Supplies and Materials	<u>27,803</u>
<i>Total Operating Cash Disbursements</i>	<u>331,175</u>
<i>Operating Income</i>	<u>97,208</u>
Non-Operating Receipts (Disbursements)	
Loans Issued	24,000
Miscellaneous Receipts	538
Capital Outlay	(34,228)
Principal Retirement	(42,979)
Interest and Other Fiscal Charges	<u>(22,091)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(74,760)</u>
<i>Net Change in Fund Cash Balances</i>	22,448
<i>Fund Cash Balances, January 1</i>	<u>260,325</u>
<i>Fund Cash Balances, December 31</i>	<u>\$282,773</u>

See accompanying notes to the basic financial statements

Village of Washingtonville, Ohio
Columbiana County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2022

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
	<u>Other</u>
	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	\$ 41,007
<i>Total Additions</i>	<u>41,007</u>
Deductions	
Distributions to Other Governments	<u>38,448</u>
<i>Total Deductions</i>	<u>38,448</u>
<i>Net Change in Fund Balances</i>	2,559
<i>Fund Cash Balances, January 1</i>	<u>9,835</u>
<i>Fund Cash Balances, December 31</i>	<u>\$12,394</u>

See accompanying notes to the basic financial statements

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

NOTE 1 - REPORTING ENTITY

The Village of Washingtonville, Columbiana/Mahoning Counties, (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with the Green Township Volunteer Fire Department to provide fire protection.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 6 to the financial statements provide additional 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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all 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 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 Fund – 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 Fund – The Police Fund accounts for and reports that amount of property tax money that has been levied for the security of persons and property.

Fire Fund – The Fire Fund accounts for and reports that amount of property tax money that has been levied for the purpose of fire protection for the Village.

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

Capital Project Fund: 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.

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 Operating Fund – The Water Operating Fund accounts for the purchase of water from the City of Salem and the distribution of water to the residents and commercial users located within the Village, as well as users located outside of the Village.

Sewer Operating Fund – The Sewer Operating Fund accounts for the providing of Sanitary sewer services to the residents and commercial users within the Village, as well as users located outside of the Village.

Sewer Capital Fund – The Sewer Capital Fund accounts for the fees that are paid by consumers for the retirement of long term debt that the Village has for the improvement of the Village's sewer system.

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for the financial activity of the Village's Mayor's Court, Computer, and Fire Removal.

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 Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

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

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

Encumbrances: The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated. The Village did not use the encumbrance method of accounting.

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Fund Balance

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

Nonspendable: The Village classifies assets as non-spendable 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 give years before they may be utilized by the Village and the nonexpendable portion of the corpus of 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 or ordinance). The Village must adhere to these commitments unless Council amends the resolution or ordinance. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

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

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

NOTE 3 – BUDGETARY ACTIVITY

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

2022 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$159,400	\$133,224	\$26,176
Special Revenue	186,782	177,085	9,697
Enterprise	<u>473,000</u>	<u>452,921</u>	<u>20,079</u>
Total	\$819,182	\$763,230	\$55,952

2022 Budgeted vs. Actual Budgetary Basis Disbursements

Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$285,011	\$144,136	\$140,875
Capital Projects	61,961	0	61,961
Special Revenue	440,267	174,019	266,248
Enterprise	<u>671,441</u>	<u>430,473</u>	<u>240,968</u>
Total	\$1,458,680	\$748,628	\$710,052

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

NOTE 4 – DEPOSITS AND INVESTMENTS

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

	<u>2022</u>
Demand Deposits	\$ 675,978
Savings Account	<u>708</u>
Total Deposits	\$ 676,686

Deposits

Deposits are 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.

NOTE 5 – TAXES

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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 semi-annually, 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.

Columbiana County and Mahoning County are responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

Income Taxes

In December 2017, the Village Council passed an ordinance levying a one-half percent (0.5%) municipal income tax on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. The income tax became effective January 1, 2018. The Village's Income Tax was repealed at the election on November 6, 2018. The repeal became effective on November 25, 2018.

In December 2019, the Village Council passed an ordinance levying a one-half percent (0.5%) municipal income tax on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. The income tax became effective January 1, 2020. The Village uses the Regional Income Tax Agency for the collection of income taxes.

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

NOTE 6 – RISK MANAGEMENT

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 Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- 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

NOTE 7 – DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Employees of the Village 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 member 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

Some of the Village's elected officials contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

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

NOTE 8 – POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2022, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2022, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

NOTE 9 - DEBT

Debt outstanding at December 31, 2022 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
USDA Sewer Construction Loan	\$464,000	4.50%
OWDA Loan #9018	10,622	0.00
OWDA Loan #7898	43,515	0.59
OWDA Loan #8398	5,085	0.00

The USDA Loan was for the updating of the Village's sanitary sewer system, and is being paid back by a sewer surcharge that is levied monthly to users of the Village's sanitary sewer system.

The OWDA Loan #9018 was for the construction of a new water tower. This loan is being paid back through user fees. The loan has not been finalized and therefore the repayments schedule is not included in the schedule of debt service payments.

The OWDA Loan #7898 was for the installation of a Trihalomethane Removal System in the Village's water storage tank to be in conformance with Ohio EPA regulations. This loan is being paid back through user fees.

The OWDA Loan #8398 was for the creation of a Water Department Asset Management Plan. This loan is being paid back through user fees.

Amortization of the above debt is scheduled as follows:

	<u>USDA Loan</u>	<u>OWDA Loan #7898</u>	<u>OWDA Loan #8398</u>
Year Ending December 31:			
2023	42,880	6,834	2023
2024	42,890	6,833	2024
2025	42,855	6,834	2025
2026	43,775	6,833	
2027	43,605	6,834	
2028-2032	215,855	2028-2029	10,250
2033-2037	216,370		
Totals	\$648,230	\$44,418	\$5,085

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

NOTE 10 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023.

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65 East State Street
Columbus, Ohio 43215
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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 Washingtonville
Columbiana County
PO Box 307
Washingtonville, Ohio 44490

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, 2023 and 2022 and the related notes to the financial statements of the Village of Washingtonville, Columbiana County, Ohio (the Village) and have issued our report thereon dated December 24, 2024, 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 2023-001 and 2023-002 that we consider to be material weaknesses.

Village of Washingtonville
Columbiana 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 matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2023-001.

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
Auditor of State
Columbus, Ohio

December 24, 2024

**VILLAGE OF WASHINGTONVILLE
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

1. Mayor's Court Disbursements

FINDING NUMBER 2023-001

NONCOMPLIANCE AND MATERIAL WEAKNESS

Ohio Rev. Code § 733.40 states, in part, that at the first regular meeting of the legislative authority each month, the mayor shall submit a full statement of all money received, from whom and for what purposes received, and when paid into the treasury. Except as otherwise provided by section 307.515 or 4511.19 of the Revised Code, all fines, and forfeitures collected by the mayor in state cases, together with all fees and expenses collected that have been advanced out of the county treasury, shall be paid by the mayor to the county treasury on the first business day of each month. Except as otherwise provided by section 307.515 or 4511.19 of the Revised Code, the mayor shall pay all court costs and fees collected by the mayor in state cases into the municipal treasury on the first business day of each month.

Testing over the 2023 Mayor's Court monthly disbursements identified the following remittances:

Court Subdivision	Reporting Period	Submission Date	Due Date	Days Late
County and Village	January	February 13, 2023	February 6, 2023	6
County and Village	February	March 15, 2023	March 6, 2023	9
County and Village	March	April 5, 2023	April 3, 2023	2
County and Village	April	May 5, 2023	May 1, 2023	4
State	April	June 6, 2023	May 23, 2023	14
County and Village	June	July 18, 2023	July 3, 2023	15
State	June	July 26, 2023	July 23, 2023	3
County and Village	July	August 15, 2023	August 7, 2023	8
State	July	November 14, 2023	August 23, 2023	83
County and Village	August	September 19, 2023	September 4, 2023	15
State	August	November 14, 2023	September 23, 2023	52
County and Village	September	October 3, 2023	October 2, 2023	1
State	September	November 14, 2023	October 23, 2023	22
County and Village	October	November 13, 2023	November 6, 2023	7
County and Village	December	January 3, 2024	January 1, 2024	2
State	December	February 25, 2024	January 23, 2024	33

FINDING NUMBER 2023-001 (Continued)

Testing over the 2022 Mayor's Court monthly disbursements identified the following remittances:

Court Subdivision	Reporting Period	Submission Date	Due Date	Days Late
County	February	May 15, 2022	March 7, 2022	73
State	February	May 17, 2022	March 23, 2022	53
County	March	May 15, 2022	April 4, 2022	41
State	March	May 17, 2022	April 23, 2022	24
County	April	May 15, 2022	May 5, 2022	10
County and Village	May	June 20, 2022	June 6, 2022	14
State	May	June 30, 2022	June 23, 2022	7
County and Village	July	August 15, 2022	August 7, 2022	8
State	July	August 30, 2022	August 23, 2022	7
County and Village	August	September 7, 2022	September 5, 2022	2
County and Village	August	November 16, 2022	November 7, 2022	9
County and Village	September	December 7, 2022	December 5, 2022	2
State	September	April 18, 2023	December 23, 2022	117
County and Village	October	January 16, 2023	January 2, 2023	14

The Village should distribute all monies collected on behalf of Mayor's Court to the respective subdivisions and ensure this is completed timely.

2. Financial Reporting

FINDING NUMBER 2023-002

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 Fiscal Officer did not abide by the adopted chart of accounts in coding and classifying various transactions. This resulted in adjustments and reclassifications to the filed financial statements. The Village Fiscal Officer and management have agreed to and posted the adjustments to the Village's accounting records. The corrected amounts are reflected in the accompanying financial statements.

2023 Reclassifications:

Fund	Reclassified From:	Reclassified To:	Explanation	Amount
Water Enterprise	Other Financing Sources	Loans Issued	To reclassify loan proceeds.	\$15,000
Mayor's Court Custodial	Other Distributions	Distributions to Other Governments	To reclassify deductions	10,332

FINDING NUMBER 2023-002 (Continued)

2022 Adjustments:

Fund/Line Item Adjusted From:	Fund/Line Item Adjusted To:	Amount	Explanation
Capital Outlay Disbursements and Loans Issued Other Financing Receipts – Capital Projects Fund	Loans Issued and Capital Outlay Non-Operating Receipts (Disbursements) – Water Enterprise Fund	\$24,000	To adjust the financial statements to properly record loan proceeds and corresponding disbursements for a Water Tower loan.

2022 Reclassification:

Fund	Reclassified From:	Reclassified To:	Explanation	Amount
Mayor's Court Custodial	Other Distributions	Distributions to Other Governments	To reclassify deductions	\$38,448

Adjustments to the filed 2023 and 2022 Financial Statement Notes include:

- The Capital Projects fund was not included in the Budgetary Activity footnote;
- The Cash and Investments Note balance did not agree to the ending balance in the financial statements;
- OWDA Loan # 9018 was not included in the Debt Note; and
- The Fund Balances Note was not included.

Another misposting was identified, however, the amount was not material to the financial statements and the Village decided not to make the adjustment.

The Fiscal Officer should maintain the accounting system to enable the Village to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the UAN chart of accounts to help ensure that financial activity of the Village is accurately recorded and reported. In addition, the Village should review the financial statements and notes prior to report submission and ensure the most current version of the notes are used, which can be located on the Auditor of State's website under Reference Materials.

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

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WASHINGTONVILLE

COLUMBIANA 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 2/25/2025

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