



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF WASHINGTONVILLE
COLUMBIANA COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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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.

- 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><u>\$92,919</u></u> | <u><u>\$289,993</u></u> | <u><u>\$1,961</u></u> | <u><u>\$384,873</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, 2023

| | <u>Proprietary Fund Type</u> |
|---|------------------------------|
| | <u>Enterprise</u> |
| Operating Cash Receipts | |
| Charges for Services | \$479,010 |
| <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 | 30,323 |
| <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 | (21,108) |
| <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><u>\$317,802</u></u> |
| <i>See accompanying notes to the basic financial statements</i> | |

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> |
| | <u>Custodial</u> |
| Additions | |
| Fines, Licenses and Permits for Distribution | \$ 6,966 |
| <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> | (3,366) |
| <i>Fund Cash Balances, January 1</i> | <u>12,394</u> |
| <i>Fund Cash Balances, December 31</i> | <u><u>\$9,028</u></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 of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

Fund Balance

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

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 five 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 | 483,500 | 494,882 | 11,382 |
| 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 | 714,861 | 461,853 | 253,008 |
| 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:

| | <u>2023</u> |
|-----------------|-------------|
| 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>OWDA Loan #7898</u> | | <u>OWDA Loan #8398</u> | |
|---------------------------------|-----------|---------------------------------|----------|---------------------------------|---------|
| <u>Year Ending December 31:</u> | | <u>Year Ending December 31:</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 | | \$37,585 | | \$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:

| | | Special | |
|--------------------------|----------------|----------------|----------------|
| Fund Balances | 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>\$114,226</u> | <u>\$265,512</u> | <u>\$1,961</u> | <u>\$381,699</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 | \$428,383 |
| <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 | 27,803 |
| <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 | (22,091) |
| <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><u>\$282,773</u></u> |
| <i>See accompanying notes to the basic financial statements</i> | |

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><u>\$12,394</u></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 of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

Fund Balance

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

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 five 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

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

2022 Budgeted vs. Actual Budgetary Basis Disbursements

| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Disbursements</u> | <u>Variance</u> |
|------------------|--------------------------------|--------------------------------|-----------------|
| General | \$285,011 | \$144,136 | \$140,875 |
| Capital Projects | 61,961 | 0 | 61,961 |
| Special Revenue | 440,267 | 174,019 | 266,248 |
| Enterprise | 671,441 | 430,473 | 240,968 |
| 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:

| | <u>2022</u> |
|-----------------------|--------------|
| 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> | |
|---------------------------------|-----------|---------------------------------|----------|---------------------------------|---------|
| <u>Year Ending December 31:</u> | | <u>Year Ending December 31:</u> | | <u>Year Ending December 31:</u> | |
| 2023 | 42,880 | 2023 | 6,834 | 2023 | 2,034 |
| 2024 | 42,890 | 2024 | 6,833 | 2024 | 2,034 |
| 2025 | 42,855 | 2025 | 6,834 | 2025 | 1,017 |
| 2026 | 43,775 | 2026 | 6,833 | | |
| 2027 | 43,605 | 2027 | 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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OHIO AUDITOR OF STATE KEITH FABER



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 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* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 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.

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 | Fund/Line Item | Amount | Explanation |
|--|--|---------------|---|
| Adjusted From: | Adjusted To: | | |
| 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

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