

VILLAGE OF WOODMERE

CUYAHOGA COUNTY, OHIO

SINGLE AUDIT / REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2023 & 2022**



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

Members of the Village Council and Mayor
Village of Woodmere
27899 Chagrin Blvd
Woodmere, OH 44122

We have reviewed the *Independent Auditor's Report* of the Village of Woodmere, Cuyahoga County, prepared by Julian & Grube, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding for Recovery 1:

Village of Woodmere Ordinance No. 2022-112 Section 1 indicated in part, effective January 1, 2023, the salaries and wages of all part-time Fire Department employees shall be set forth in the following schedule: Gina Devito-Staub, Chief - \$47,000. During 2023, a wage increase was applied to the Fire Chief's salary pursuant to Ord. No 2023-36 resulting in a total actual pay for the year of \$48,247.24. However, Ord. No 2023-36 specifically indicates it did not apply to Fire Department personnel. As a result, the Fire Chief's actual pay should have been \$47,000 pursuant to Ord. 2022-112, resulting in overpayment of \$1,247.24.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended; has been hereby issued against Gina Devito-Staub and Village Treasurer, Regina Greathouse-Owens, jointly and severally, in the amount of \$1,247.24, and in favor of the Village of Woodmere General Fund.

Finding for Recovery 2:

Article VI of the Village of Woodmere Charter provides, in part, that the Council shall fix the salary or compensation of each officer, employee and member of any board or commission of the Village. The compensation of each other officer, employee and member of a board or commission of the Village besides the Mayor and each member of Council shall be fixed by the Council and, subject to the power of the Council to provide otherwise by ordinance or resolution, may be changed at any time in its discretion.

Members of the Village Council and Mayor
Village of Woodmere
27899 Chagrin Blvd
Woodmere, OH 44122
Page -2-

Article IV-5(B) of the Village of Woodmere Charter provides that except as provided in Article V of this Charter and subject to such confirmation as may be required herein or by the ordinance of Council, the Mayor shall have the power to appoint and promote any officer or employee of the Municipality, subject to the approval of Council, except those required by this Charter to be elected. A vote of five (5) members of Council shall be necessary to reverse the Mayor's action.

Village of Woodmere Codified Ordinance § 157.07(a) states, in part, that Council shall provide for all employees of the Village. Council shall determine the wage and salary ranges for current employment positions. The Mayor may recommend the appointment of persons for both full-time and part-time job openings; however, no person shall be employed in a part-time or full-time capacity without the confirmation of Council.

Village of Woodmere Codified Ordinance § 157.12 states that unless otherwise provided, no employee shall occupy more than one paid position with the Village unless such additional employment, assuming no unpaid absences during a regular work week by the subject employee, will not ordinarily require the payment of overtime for the discharge of the duties attendant to the positions.

From October 9, 2023 through January 14, 2024, Village Treasurer Regina Greathouse-Owens was compensated an additional \$6,437.50 on top of her regular wages for performing additional duties due to the vacancy of the Village's assistant treasurer position. This additional compensation was authorized via email requests approved by Mayor Holbert. This additional compensation, however, was not authorized by an ordinance of Village Council and therefore was unallowable.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended; has been hereby issued against Regina Greathouse-Owens and Mayor Benjamin Holbert, III, jointly and severally, in the amount of \$6,437.50, and in favor of the Village of Woodmere General Fund.

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



Keith Faber
Auditor of State
Columbus, Ohio

February 26, 2025

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO**

DOCUMENT CONTENTS

TITLE

- SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023
- REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2022

This page intentionally left blank.

VILLAGE OF WOODMERE

CUYAHOGA COUNTY, OHIO

SINGLE AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

This page intentionally left blank.

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1 - 3
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types For the Year Ended December 31, 2023	4
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) - Fiduciary Fund Type For the Year Ended December 31, 2023	5
Notes to the Financial Statements - For the Year Ended December 31, 2023	6 - 16
Supplementary Information:	
Schedule of Expenditures of Federal Awards	17
Notes to the Schedule of Expenditures of Federal Awards 2 <i>CFR</i> § 200.510(b)(6)	18
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	19 - 20
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	21 - 23
Schedule of Findings 2 <i>CFR</i> § 200.515	24 - 29
Summary Schedule of Prior Audit Findings 2 <i>CFR</i> § 200.511(b)	30 - 31
Corrective Action Plan 2 <i>CFR</i> § 200.511(c)	32

This page intentionally left blank.

Independent Auditor's Report

Village of Woodmere
Cuyahoga County
27899 Chargin Blvd.
Woodmere, Ohio 44122

To the Members of the Village Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Village of Woodmere, Cuyahoga County, Ohio, which comprises the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2023, and the related notes to the financial statements.

Unmodified Opinions 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 fund type and the fiduciary fund type combined total of the Village of Woodmere, as of and for the year ended December 31, 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for *Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statement referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of Woodmere, as of December 31, 2023, or changes in net position thereof for the year then ended.

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Village of Woodmere
Cuyahoga County
Independent Auditor's Report

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Woodmere's financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024 on our consideration of the Village of Woodmere's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Woodmere's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Woodmere's internal control over financial reporting and compliance.



Julian & Grube, Inc.
October 28, 2024

Village of Woodmere, Ohio
Cuyahoga 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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts					
Property and Other Local Taxes	\$ 167,832	\$ 76,833	\$ -	\$ -	\$ 244,665
Municipal Income Tax	3,835,464	-	-	-	3,835,464
Intergovernmental	44,762	171,773	-	244,033	460,568
Special Assessments	-	-	108,475	-	108,475
Charges for Services	30,140	-	-	-	30,140
Fines, Licenses and Permits	140,844	4,174	-	-	145,018
Earnings on Investments	151,951	-	-	-	151,951
Miscellaneous	49,401	-	-	-	49,401
<i>Total Cash Receipts</i>	<u>4,420,394</u>	<u>252,780</u>	<u>108,475</u>	<u>244,033</u>	<u>5,025,682</u>
Cash Disbursements					
Current:					
Security of Persons and Property	2,312,693	308,602	-	-	2,621,295
Community Environment	30,681	93,148	-	-	123,829
Basic Utility Services	-	8,133	-	-	8,133
Transportation	389,950	69,463	-	5,313	464,726
General Government	1,439,950	-	-	35,175	1,475,125
Capital Outlay	182,000	-	-	894,583	1,076,583
Debt Service:					
Principal Retirement	-	-	1,230,000	-	1,230,000
Interest and Fiscal Charges	-	-	106,615	-	106,615
<i>Total Cash Disbursements</i>	<u>4,355,274</u>	<u>479,346</u>	<u>1,336,615</u>	<u>935,071</u>	<u>7,106,306</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>65,120</u>	<u>(226,566)</u>	<u>(1,228,140)</u>	<u>(691,038)</u>	<u>(2,080,624)</u>
Other Financing Receipts (Disbursements)					
Sale of Bonds	-	-	1,174,999	-	1,174,999
Other Debt Proceeds	182,000	-	-	-	182,000
Sale of Assets	2,625	-	-	-	2,625
Transfers In	-	787	55,615	-	56,402
Transfers Out	(56,402)	-	-	-	(56,402)
Advances In	787	-	-	-	787
Advances Out	-	(787)	-	-	(787)
Other Financing Sources	1,792	-	-	-	1,792
<i>Total Other Financing Receipts (Disbursements)</i>	<u>130,802</u>	<u>-</u>	<u>1,230,614</u>	<u>-</u>	<u>1,361,416</u>
<i>Net Change in Fund Cash Balances</i>	<u>195,922</u>	<u>(226,566)</u>	<u>2,474</u>	<u>(691,038)</u>	<u>(719,208)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,898,888</u>	<u>670,100</u>	<u>23,796</u>	<u>768,533</u>	<u>3,361,317</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,094,810</u>	<u>\$ 443,534</u>	<u>\$ 26,270</u>	<u>\$ 77,495</u>	<u>\$ 2,642,109</u>

See accompanying notes to the financial statements

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

	Fiduciary Fund Type
	Custodial
	Other Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 117,362
Deposits Received	300
Other Amounts Collected for Distribution	595
<i>Total Additions</i>	<u>118,257</u>
Deductions	
Distributions to Other Governments	15,906
Distributions to Other Funds (Primary Gov't)	91,916
Other Distributions	13,099
<i>Total Deductions</i>	<u>120,921</u>
<i>Net Change in Fund Balances</i>	(2,664)
<i>Fund Cash Balances, January 1</i>	<u>530,485</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 527,821</u></u>

See accompanying notes to the financial statements

Village of Woodmere, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Woodmere (the Village), Cuyahoga County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected seven-member Council directs the Village. The Village provides police, fire, emergency medical services, public services including rubbish collection, Mayor's Court and other services to the residents, and businesses located in Woodmere. The Village's appropriations are for the purpose of funding the General Fund which includes Safety Forces (Police & Fire) the Service Department, Mayor's Court, Dispatch Services, and the Administration along with all other funds of the Village excluding custodial funds.

Jointly Governed Organizations

The Village contracts with the Chagrin Valley Dispatch COG to provide security of persons and property. In addition, the Village participated in the Valley Enforcement Regional Council of Governments (VERCOG), which is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. Note 13 to the financial statements provides additional information for these entities.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

General Fund: The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any proper public purpose provided it is expended or transferred according to the general laws of Ohio. The General Fund is the main operating fund for the Village. The main source of revenue for the General Fund is local income taxes primarily collected by the Regional Income Tax Agency while also receiving some distributions from the State of Ohio. In 2023 the Village received \$3,835,464 in gross local income tax distributions. Expenditures for the General Fund are categorized by Department including Administration (General Government), Mayor's Court, Police and Fire (Security of Persons and Property), and the Service Department (Transportation).

Village of Woodmere, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

Several of the major Special Revenue Funds are described below:

2011 Street Construction Maintenance and Repair Fund: This 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.

2131 Police Pension Fund: This Fund receives proceeds collected by the Cuyahoga County Tax Treasurer from a .3 mill property tax in Woodmere Village.

2901 Fire Levy Fund: This Fund was established by the voters of Woodmere Village to issue a 1 mill property tax for funding various operations of the fire department including capital equipment and vehicles. The levy generated in revenue for the Fire Department, which is based on the Villages Assessed Valuation multiplied by the rate of the millage.

2151 Local Fiscal Recovery Fund “ARPA” : This Fund was used to account for grants received pertaining to Covid Relief. The grant was used for expenditures for the Police, Fire and Service Departments.

2909 Community Development Block Grant: This Fund was used to account for grant money awarded to the Village by the Cuyahoga County Community for the purpose of a Community Garden. The CDBG Municipal Grants Exterior Home Maintenance program and CDSG Municipal Grant for Public Safety and Traffic Calming program.

2153 Healthy Urban Tree Grant: The Fund was used to account for grants for the planting and maintenance of trees.

2152 NOPEC Grant: This Fund was created for the grant for street light updates.

2154 OAG Body Armor Grant: This Fund was created for the grant for new body armor.

Debt Service Funds: The Village has two debt service funds which are listed below. These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village Debt Service Funds included the following:

3101 General Obligations Debt Service Fund : In 2023, the Various Purpose Notes, Series 2022 were retired and Various Purpose Bonds, Series 2023 were issued for the new Service Department Facility and Village Hall Renovation.

3301 Special Assessment Debt Service Fund: The Village has a Special Assessment Bond (first issued in 2004) that was for the specific purpose of funding the widening of a portion of Chagrin Boulevard located in the Village. The funding is collected from the proceeds of a special assessment tax on local business owners affiliated with the Eton Collection Mall in the Village. This Bond matures in 2024.

Village of Woodmere, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

4901 New Vehicle Fund: This Fund is for the Village's Departments to set aside money for the future purchase or replacement of vehicles.

4903 Building Improvement Fund: These dollars are for improvements to buildings owned and maintained by the Village.

4905 Brainard Road Fund: This money is restricted for the purpose of improvements and maintenance for Brainard Road. The expenditures of this Fund have and/or will be reimbursed through a grant awarded to the Village by the Ohio Department of Natural Resources.

4914 ODOT Fund: The Village has committed to the widening of Chagrin Blvd; this fund was created for the purpose of funding that project from grants from ODOT.

Fiduciary Funds: Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. 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.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

The Village's custodial funds include the Road and Building Deposit Bond funds. In addition, the Village also maintains a Mayor's Court Fund, License Forfeiture Fund, and Bail Bond Fund. The Mayor's Court has a Magistrate, Prosecutor and Clerk whose primary responsibility is to account for all financial activity for local citations and fines received. A significant percentage of the fines are subsequently remitted to the Village's General Fund in the month following the month of collection.

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.

Village of Woodmere, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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

Encumbrances: The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2023 budgetary activity appears in Note 4.

Deposits and Investments

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Lease

The Village is the lessor in a lease (as defined by GASB 87) related to vehicles under noncancelable leases. Lease disbursements are recognized when they are paid.

Fund Balance

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

Nonspendable: The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

Village of Woodmere, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

Note 3 – Compliance

The Village was in noncompliance with Ohio Revised Code Section 5705.41(D) for not certifying expenditures timely.

The Village was in noncompliance with Ohio Administrative Code 117-2-02(C)(1) for Council approved appropriations and County approved estimated resources not being accurately included in the financial accounting system.

The Village was in noncompliance with Ohio Revised Code Sections 5705.40 and 5705.41(B) for expenditures plus current year encumbrances exceeded appropriations plus prior year encumbrance and for various interfund appropriation transfers not being Council approved.

The Village was in noncompliance with Ohio Revised Code Sections 5705.36 and 5705.39 for total appropriations exceeding total estimated resources.

Village of Woodmere, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – 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	\$375,767	\$4,607,598	\$4,231,831
Special Revenue	123,238	253,567	130,329
Debt Service	1,286,225	1,339,089	52,864
Capital Projects	32,500	244,033	211,533
Total	<u>\$1,817,730</u>	<u>\$6,444,287</u>	<u>\$4,626,557</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,666,133	\$4,430,086	\$236,047
Special Revenue	138,381	563,394	(425,013)
Debt Service	40,000	1,336,615	(1,296,615)
Capital Projects	5,313	935,071	(929,758)
Total	<u>\$4,849,827</u>	<u>\$7,265,166</u>	<u>(\$2,415,339)</u>

Note 5 – 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 deposit and investment accounts are as follows:

	2023
<i>Cash Management Pool:</i>	
Demand deposits	\$454,689
Total deposits	<u>454,689</u>
STAR Ohio	<u>2,715,241</u>
Total investments	<u>2,715,241</u>
Total Deposits and Investments	<u>\$3,169,930</u>

The Village did not use a separate payroll clearing account in 2023. The Village does have Paylocity as their third-party administrator overseeing various payroll matters. The disbursements included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings.

Village of Woodmere, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Deposits

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

Investments

At year end December 31, 2023, the value of the Village's investments at Star Ohio was \$2,715,241. Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 6 – Taxes

Property Taxes

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

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

Income Taxes

The Village levies a municipal income tax of 2.5% percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

The Village contracts with the Regional Income Tax Agency to collect local income taxes and to pursue delinquent taxpayers. In addition, the Village contracts with an individual to provide Tax Auditing on behalf of the Village. Employers within the Village withhold income tax on employee compensation and remit the tax to the Regional Income Tax Agency either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. Also, some entities file their local taxes with the State of Ohio and then the local taxes are remitted back to the Village by the State.

Village of Woodmere, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Interfund Balances

Outstanding year-end advances on December 31, 2023, consisted of \$24,380 (\$22,780 - 2022 advance and \$1,600 - 2017 advance) advanced from the General Fund to the Community Development Block Grant Fund (Special Revenue Fund Type) and \$10,000 advanced from the General Fund to the OAG Body Armor Grant Fund (Special Revenue Fund Type). A request to the Council to return these advances to the General Fund will be made once the Village receives reimbursement from the related grants.

Note 8 – Risk Management

Workers' Compensation

The State of Ohio provides Workers' Compensation coverage. 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.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.
- Vehicles; and
- Errors and omissions.

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village employees, who are not full-time certified police or fire department employees, belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10.00% percent of their gross salaries, and the Village contributed an amount equaling 14.00% percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Ohio Police and Fire Retirement System

Village full-time certified Fire Fighters and full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% percent of their wages. The Village contributed to OP&F an amount equal to 19.50% percent of full-time police members' wages and 24.00% percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2023.

Village of Woodmere, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Social Security

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

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

Note 10 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. 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. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% 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%; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5% to fund these benefits.

Note 11 – Debt

Debt outstanding as of December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Various Purpose Bonds, Series 2023	\$1,175,000	4.89%
Special Assessment Bonds	\$105,000	5.50%
Fire Truck Loan	\$405,737	5.15%
Police Interceptor Lease	\$115,419	10.50%
Total	<u>\$1,801,156</u>	

The Special Assessment Bonds were issued in 2004 for the purpose of widening the eastern side of Chagrin Boulevard and to pay for the project via special assessments on the tax bill of the owners of the Eton Collection Mall. The bonds mature in 2024 and are paid from the Special Assessment Debt Service Fund (Debt Service Fund Type).

The Various Purpose Notes, Series 2022 matured, and the Various Purpose Bonds, Series 2023 were issued in September of 2023 for the new Service Department Facility and Village Hall Renovation. The bonds mature in 2033 and are paid from the General Obligations Debt Service Fund (Debt Service Fund Type).

The Fire Truck loan was entered into in 2022 for the purchase of a new fire truck. The loan will mature in 2037 and the down payment was paid from the New Vehicle Fund (Capital Projects Fund Type) and loan payments will be paid from the General Fund.

Village of Woodmere, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

The Police Interceptor Lease was entered into in 2023 to lease three 2022 Ford Police Interceptors. The lease will end in 2025 and will be paid from the General Fund and the Local Fiscal Recovery Fund “ARPA” (Special Revenue Fund Type).

Amortization

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

Year Ending December 31:	Various Purpose Bonds, Series 2023	Special Assessment Bonds	Fire Truck Loan	Police Interceptor Lease
2024	\$145,257	\$110,775	\$41,764	\$66,950
2025	145,734	0	41,764	66,950
2026	150,844	0	41,764	0
2027	150,587	0	41,764	0
2028	150,086	0	41,764	0
2029-2033	743,864	0	208,821	0
2034-2037	0	0	167,057	0
Total	<u>\$1,486,371</u>	<u>\$110,775</u>	<u>\$584,700</u>	<u>\$133,900</u>

Note 12 – Contingent Liabilities

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village’s financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 13 – Jointly Governed Organizations

Valley Enforcement Regional Council of Governments

The Village is a member of the Valley Enforcement Regional Council of Governments (VERCOG), a jointly governed organization. VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code.

VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (VEG), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is comprised of approximately fifteen communities located within the Chagrin Valley region which exercise Law enforcement authority under Ohio law and whose law enforcement agency consisted of four or more full time, sworn law enforcement officers.

VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purpose. The Village paid an annual membership fee to belong which was \$10,000 in 2023.

Village of Woodmere, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Chagrin Valley Dispatch Regional Council of Governments

Woodmere Village is also a member of the Chagrin Valley Dispatch Regional Council of Governments (RCOG) which is the communication center for numerous municipalities of the Chagrin Valley and greater Cleveland area. Chagrin Valley Dispatch is the communication center for 26 municipalities between Bedford and Brecksville, in the greater Cleveland area. The dispatch center is the first step to providing emergency services to over 125,000 residents.

Fully trained dispatchers maintain certifications in Emergency Medical Dispatch (EMD), Cardio Pulmonary Resuscitation (CPR), and National Incident Management System (NIMS). The center is staffed 24/7 with a minimum of 14 dispatchers on duty at all times. The staff consists of 69 full-time and 8 part-time employees, 16 supervisors, 4 information technology employees, 1 information technology administrator, 1 assistant director, and 1 director.

During 2023, the Village paid \$296,239 to Chagrin Valley Dispatch RCOG.

Note 14 – 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:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	18,410	83,261	0	0	101,671
<i>Total</i>	<u>\$18,410</u>	<u>\$83,261</u>	<u>\$0</u>	<u>\$0</u>	<u>\$101,671</u>

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

Note 15 – 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. During 2023, the Village received COVID-19 funding. The financial impact of COVID-19 may impact subsequent periods of the Village. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines. In 2023, the Village received \$20,000 in Local Fiscal Recovery monies.

SUPPLEMENTARY INFORMATION

VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	ASSISTANCE LISTING NUMBER	EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Cuyahoga County:</i>			
Community Development Block Grant (Exterior Home Maintenance)	N/A	14.218	\$ 82,300
Total U.S. Department of Housing and Urban Development			<u>82,300</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation</i>			
CUY SR 087 12.05 Widening	PID 108766	20.205	\$ 894,583
Total U.S. Department of Transportation			<u>894,583</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Ohio Ambulance Transportation Program	COVID-19	21.027	20,000
Total U.S. Department of Treasury			<u>20,000</u>
Total			
Total Expenditures of Federal Awards			<u>\$ 996,883</u>

The accompanying notes are an integral part of this schedule.

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Village of Woodmere (the “Village”) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position of the Village. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited as to reimbursement.

NOTE 2 – DE MINIMIS INDIRECT COST RATE

The Village has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – MATCHING REQUIREMENTS

Certain Federal programs require the Village to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Village has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

Village of Woodmere
Cuyahoga County
27899 Chargin Blvd.
Woodmere, Ohio 44122

To the Members of the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total of the Village of Woodmere, Cuyahoga County, Ohio, as of and for the year ended December 31, 2023 and the related notes to the financial statements and have issued our report thereon dated October 28, 2024, wherein we noted the Village of Woodmere followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village of Woodmere'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 through 2023-006 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Woodmere's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2023-003 through 2023-006.

Village of Woodmere

Cuyahoga County

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

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

Village of Woodmere's Responses to Findings

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.

October 28, 2024

**Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Village of Woodmere
Cuyahoga County
27899 Chargin Blvd.
Woodmere, Ohio 44122

To the Members of the Village Council:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Village of Woodmere's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Village of Woodmere's major federal programs for the year ended December 31, 2023. The Village of Woodmere's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

In our opinion, the Village of Woodmere complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Village of Woodmere and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Village of Woodmere's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village of Woodmere's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village of Woodmere's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village of Woodmere's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Village of Woodmere's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village of Woodmere's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village of Woodmere's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-007. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Woodmere's responses to the internal control over compliance findings identified in our audit described in the accompanying corrective action plan. The Village of Woodmere's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

Village of Woodmere
Cuyahoga County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider this deficiency in internal control over compliance described in the accompanying schedule of findings as item 2023-007, to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Woodmere's responses to the internal control over compliance findings identified in our audit described in the accompanying corrective action plan. The Village of Woodmere's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
October 28, 2024

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Adverse under GAAP Unmodified under the regulatory basis
<i>(d)(1)(ii)</i>	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	None Reported
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None Reported
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	Yes
<i>(d)(1)(vii)</i>	<i>Major Program(s) (listed):</i>	Highway Planning and Construction (ALN – 21.027)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2023-001

Material Weakness - Financial Reporting

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

The following adjustments were made to the financial statements and notes:

- Debt Service Funds (Special Assessment Debt Service Fund): property tax receipts were decreased and special assessment receipts were increased \$108,475, to properly record special assessment receipts.
- General Fund: property tax receipts and cash were decreased \$23,000. These adjustments were necessary to correct the coding of property tax receipts.
- Special Revenue Fund Type (Police Pension Fund): property tax receipts and cash were increased \$5,000. These adjustments were necessary to correct the coding of property tax receipts.
- Special Revenue Fund Type (Fire Levy Fund): property tax receipts and cash were increased \$18,000. These adjustments were necessary to correct the coding of property tax receipts.
- Debt Service Funds (General Obligation Debt Service Fund): interest and fiscal charges disbursements were increased \$50,215, sale of notes was decreased \$1,134,999, sale of bonds was increased \$1,174,999, and principal disbursements were decreased \$10,215. These adjustments were to properly record debt activity.
- General Fund: other debt proceeds and capital outlay were increased \$182,000 to properly record the lease agreement for the police interceptors.
- Custodial Fund Type (Mayor's Court Fund) distributions to other government deductions were decreased and distributions to other funds (Primary Gov't) deductions were increased \$91,916 in order to properly record amounts paid from the Mayor's Court Fund to the General Fund.

The Village has posted all cash (fund balance) adjustments to its financial accounting system.

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

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

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)	
Finding Number	2023-002

Material Weakness – Employee Payroll Files/Payroll Rates

Effective payroll controls should include detailed employee files that provide all the documentation to support an employee's rate at all times. Additionally, payroll controls should include procedures where each pay period there is a detailed review of payroll that is performed and approved by someone other than the person preparing the payroll. Throughout the year random audits of employees should be performed to help ensure all gross amounts paid to employees are accurate.

The Village lacked controls to easily identify the rates of pay of all employees. Additionally, due to the lack of payroll controls, a few employees were overpaid during the year.

Lack of detailed payroll controls which include an easily auditable ledger of an employees' rate from hire date to termination date could lead to employees being over or under paid during the year.

We recommend the Village consider additional internal controls within their payroll segment of operations. A supervisor should evidence approval of a rate change prior to being entered into the payroll system. This approval should be clearly documented within the employees' personnel file and contain evidence of all the required approvals (ie. Council approval, supervisory approval, etc.). The Village should consider approving via Council approval at the beginning of each calendar year all rates of pays for all employees in an easily auditable format. Anytime a rate of pay is changed, all proper approvals should be evidenced in the employee file. We further recommend that quarterly at a minimum, all employee payroll gross amounts are verified independently from the person that prepares payroll. The employee files should also contain all approved salary increases or changes so that, at any point in time, the employee's current salary can be verified.

Finding Number	2023-003
----------------	----------

Material Weakness/Noncompliance - Purchase Orders

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

The Village had 18% of tested expenditures that were not timely certified.

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

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

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)

Finding Number	2023-004
----------------	----------

Material Weakness/Noncompliance - Integration of Budgetary Information

Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances.

The Village's Council approved appropriations and County approved estimated receipts did not all agree to the budgetary amounts the Village included in the financial accounting system. Additionally, the Village's Council approved appropriations for all funds could not be provided.

By not correctly including accurate (approved) budgetary accounts into the financial accounting system, it could become challenging for the Village to easily monitor its budgeted activity in comparison with its actual amounts. The Village is also at risk for overspending in excess of available funds, which could possibly result in negative fund balances.

We recommend that approved budgetary modifications be incorporated into the financial accounting system by the Treasurer in a timely manner. This will aid Council and Treasurer in their review of budgetary versus actual information and help ensure budgetary requirements are followed.

Finding Number	2023-005
----------------	----------

Material Weakness/Noncompliance - Amended and Supplemental Appropriations

Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated. In addition, Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section states that any amendments to an appropriation measure be made by Council resolution and comply with the same provisions of the law as used in making the original appropriations.

The Village had various legal level of control and total fund noncompliance where expenditures plus current year encumbrances exceeded appropriations plus prior year encumbrances. Additionally, the Council did not approve various interfund appropriation transfers that were made within the legal level of control that should have required Village Council approval. Lastly, the Village's Council approved appropriations for all funds could not be provided.

By not timely and properly modifying the Village's appropriations, the Village is not adequately monitoring appropriations versus disbursements. With disbursements exceeding appropriations, overspending may occur which may result in a negative fund balance.

We recommend the Village comply with Ohio Revised Code by monitoring disbursements, so they do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary, subsequent to the passage of permanent appropriations.

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)	
Finding Number	2023-006

Material Weakness/Noncompliance - Appropriations Exceeding Estimated Resources

Ohio Revised Code Section 5705.39 requires that a subdivision's total appropriations from each fund should not exceed total estimated resources. In addition, Ohio Revised Code Section 5705.36 in part, requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the last certified amended certificate.

The Village did not request timely amended certificates throughout the year upon notice of increased or decreased resources, and therefore had total appropriations exceeding total estimated resources in certain funds.

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

We recommend the Village comply with Ohio Revised Code and Auditor of State Bulletin 97-010 and continually monitor appropriations versus estimated resources. If it is determined that estimated resources will be different than initially anticipated, the Village should amend its estimate and also amend the appropriations as necessary.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS			
Finding Number	2023-007		
ALN Title and Number	All Programs		
Federal Award Identification Number/Year	All		
Federal Agency	U.S. Department of Housing and Urban Development, U.S. Department of Transportation, U.S. Department of Treasury		
Compliance Requirement	Other		
Pass-Through Entity	Cuyahoga County, Ohio Department of Transportation, Ohio Office of Budget and Management		
Repeat Finding from Prior Audit	No	Prior Finding Number	N/A

Material Weakness/Noncompliance – Other

2 CFR §200.510(b) states, in part, that the auditee must prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended. At a minimum, the schedule must:

- a. List individual federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- b. For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- c. Provide total Federal awards expended for each individual Federal program and the Assistance Listing Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- d. Include the total amount provided to subrecipients from each Federal program.

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS – (CONTINUED)			
Finding Number	2023-007 – (Continued)		
ALN Title and Number	All Programs		
Federal Award Identification Number/Year	All		
Federal Agency	U.S. Department of Housing and Urban Development, U.S. Department of Transportation, U.S. Department of Treasury		
Compliance Requirement	Other		
Pass-Through Entity	Cuyahoga County, Ohio Department of Transportation, Ohio Office of Budget and Management		
Repeat Finding from Prior Audit	No	Prior Finding Number	N/A

- e. For loan or loan guarantee programs described in §200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- f. Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414.

The Village did not prepare a Schedule of Expenditures of Federal Awards.

Not preparing the Schedule of Expenditures of Federal Awards could lead to inaccurate reporting of federal expenditures by the Village and could jeopardize future federal funding. Adjustments were made to the Schedule of Expenditures of Federal Awards.

We recommend the Village review/update their current policies and procedures, including, prior to submitting the federal schedule to the auditors, a second review of data, support and amounts be reported, to help ensure accurate information is provided.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2023

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2022-001	2017	<u>Material Weakness – Financial Reporting:</u> Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Numerous adjustments were made to the financial statements and related notes.	Not Corrected	Repeated as Finding 2023-001; as adjustments to the financial statements and related notes were necessary to properly state financial activity.
2022-002	2021	<u>Material Weakness – Employee Payroll Files/Payroll Rates:</u> Effective payroll controls should include detailed employee files that provide all the documentation to support an employee's rate at all times. Additionally, payroll controls should include procedures where each pay period there is a detailed review of payroll that is performed and approved by someone other than the person preparing the payroll. Throughout the year random audits of employees should be performed to help ensure all gross amounts paid to employees are accurate. The Village lacked controls to easily identify the rates of pay of all employees.	Not Corrected	Repeated as Finding 2023-002; as the Village lacked controls to easily identify the rates of pay of all employees and due to the lack of payroll controls, a few employees were overpaid during the year.
2022-003	2021	<u>Material Weakness/Noncompliance - Purchase Orders:</u> The Village's Treasurer did not certify the availability of funds prior to making commitments in noncompliance with Ohio Revised Code Section 5705.41(D). Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.	Not Corrected	Repeated as Finding 2023-003; as the Village had 18% of tested expenditures that were not timely certified.
2022-004	2022	<u>Material Weakness/Noncompliance - Integration of Budgetary Information:</u> Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing a financial accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances. The Village's Council approved appropriations did not all agree to the budgetary amounts the Village included in the system.	Not Corrected	Repeated as Finding 2023-004; as the Village's Council approved appropriations and County approved estimated receipts did not all agree to the budgetary amounts the Village included in the financial accounting system.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2023

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2022-005	2022	<u>Material Weakness/Noncompliance - Amended and Supplemental Appropriations:</u> Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated. In addition, Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section states that any amendments to an appropriation measure be made by Council resolution and comply with the same provisions of the law as used in making the original appropriations. The Village had certain budgetary line items where expenditures plus current year encumbrances exceeded appropriations plus prior year encumbrance. Additionally, the Council did not approve certain interfund appropriation transfers that were made.	Not Corrected	Repeated as Finding 2023-005; as the Village had various budgetary line items where expenditures plus current year encumbrances exceeded appropriations plus prior year encumbrance and, the Council did not approve various interfund appropriation transfers that were made.



**CORRECTIVE ACTION
 PLAN 2 CFR § 200.511(c)
 DECEMBER 31, 2023**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2023-001	The Village Treasurer will more closely examine their report prior to filing with HINKLE and will work toward more accurately presenting those in the future.	2024	Regina Greathouse-Owens, Treasurer
2023-002	The Village will evaluate its current practices and perform a review of all employee files to ensure all the appropriate information to support gross wages is maintained within, including evidence of the appropriate approvals.	2024	Regina Greathouse-Owens, Treasurer
2023-003	The Village is continually trying to improve its ordering and purchasing processes to decrease its noncompliance percentage and help insure all purchased items are timely approved, as evidenced by a purchase order dated prior to the invoice date.	2024	Regina Greathouse-Owens, Treasurer
2023-004	The Village Treasurer will ensure appropriations and estimated resources are accurately posted to UAN going forward.	2024	Regina Greathouse-Owens, Treasurer
2023-005	The Village Treasurer will more closely monitor budgeted appropriations versus actual expenditures to ensure expenditures do not exceed appropriations going forward.	2024	Regina Greathouse-Owens, Treasurer
2023-006	The Village Treasurer will more closely monitor estimated resources versus budgeted expenditures to ensure appropriations do not exceed estimated resources going forward.	2024	Regina Greathouse-Owens, Treasurer
2023-007	The Village Treasurer will start preparing the Schedule of Expenditures of Federal Awards each year or contract with a CPA firm for assistance in preparing the Schedule of Expenditures of Federal Awards each year.	2024	Regina Greathouse-Owens, Treasurer

VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1 - 3
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types For the Year Ended December 31, 2022	4
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) - Fiduciary Fund Type For the Year Ended December 31, 2022	5
Notes to the Financial Statement - For the Year Ended December 31, 2022	6 - 16
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	17 - 18
Schedule of Findings and Responses.....	19 - 21
Summary Schedule of Prior Audit Findings.....	22 - 23

Independent Auditor's Report

Village of Woodmere
Cuyahoga County
27899 Chagrin Blvd.
Woodmere, Ohio 44122

To the Members of the Village Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Village of Woodmere, Cuyahoga County, Ohio, which comprises the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2022, and the related notes to the financial statements.

Unmodified Opinions 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 fund type and the fiduciary fund type combined total of the Village of Woodmere, as of and for the year ended December 31, 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Village of Woodmere
Cuyahoga County
Independent Auditor's Report

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024 on our consideration of the Village of Woodmere's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Woodmere's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Woodmere's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
October 28, 2024

Village of Woodmere, Ohio
Cuyahoga 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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts					
Property and Other Local Taxes	\$ 183,835	\$ 77,743	\$ -	\$ -	\$ 261,578
Municipal Income Tax	4,305,303	-	-	-	4,305,303
Intergovernmental	34,828	500,597	-	812,075	1,347,500
Special Assessments	455	-	108,986	-	109,441
Charges for Services	20,159	-	-	-	20,159
Fines, Licenses and Permits	173,527	11,298	-	-	184,825
Earnings on Investments	44,041	-	-	-	44,041
Miscellaneous	24,988	2,638	-	-	27,626
<i>Total Cash Receipts</i>	<u>4,787,136</u>	<u>592,276</u>	<u>108,986</u>	<u>812,075</u>	<u>6,300,473</u>
Cash Disbursements					
Current:					
Security of Persons and Property	2,276,371	42,780	-	-	2,319,151
Public Health Services	3,846	92,706	-	-	96,552
Community Environment	34,553	16,254	-	-	50,807
Basic Utility Services	-	2,648	-	-	2,648
Transportation	405,837	122,665	-	3,450	531,952
General Government	1,332,585	1,376	-	-	1,333,961
Capital Outlay	425,000	-	-	304,219	729,219
Debt Service:					
Principal Retirement	-	-	1,384,999	-	1,384,999
Interest and Fiscal Charges	-	-	31,737	-	31,737
<i>Total Cash Disbursements</i>	<u>4,478,192</u>	<u>278,429</u>	<u>1,416,736</u>	<u>307,669</u>	<u>6,481,026</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>308,944</u>	<u>313,847</u>	<u>(1,307,750)</u>	<u>504,406</u>	<u>(180,553)</u>
Other Financing Receipts (Disbursements)					
Sale of Notes	-	-	1,136,926	-	1,136,926
Other Debt Proceeds	425,000	-	-	-	425,000
Sale of Assets	1,010	-	-	-	1,010
Transfers In	-	34,381	173,000	34,500	241,881
Transfers Out	(241,881)	-	-	-	(241,881)
Advances In	135,837	125,486	-	-	261,323
Advances Out	(125,486)	(91,919)	-	(43,918)	(261,323)
Other Financing Sources	4,884	-	-	-	4,884
<i>Total Other Financing Receipts (Disbursements)</i>	<u>199,364</u>	<u>67,948</u>	<u>1,309,926</u>	<u>(9,418)</u>	<u>1,567,820</u>
<i>Net Change in Fund Cash Balances</i>	<u>508,308</u>	<u>381,795</u>	<u>2,176</u>	<u>494,988</u>	<u>1,387,267</u>
<i>Restated Fund Cash Balances, January 1</i>	<u>1,390,580</u>	<u>288,305</u>	<u>21,620</u>	<u>273,545</u>	<u>1,974,050</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,898,888</u>	<u>\$ 670,100</u>	<u>\$ 23,796</u>	<u>\$ 768,533</u>	<u>\$ 3,361,317</u>

See accompanying notes to the financial statements

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

	Fiduciary Fund Type
	Custodial
	Other Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 111,123
Deposits Received	7,300
<i>Total Additions</i>	<u>118,423</u>
Deductions	
Distributions to Other Governments	27,295
Distributions to Other Funds (Primary Gov't)	77,492
Distributions of Deposits	17,299
Other Distributions	<u>4,377</u>
<i>Total Deductions</i>	<u>126,463</u>
<i>Net Change in Fund Balances</i>	(8,040)
<i>Fund Cash Balances, January 1</i>	<u>538,525</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 530,485</u></u>

See accompanying notes to the financial statements

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

Note 1 – Reporting Entity

The Village of Woodmere (the Village), Cuyahoga County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected seven-member Council directs the Village. The Village provides police, fire, emergency medical services, public services including rubbish collection, Mayor's Court and other services to the residents, and businesses located in Woodmere. The Village's appropriations are for the purpose of funding the General Fund which includes Safety Forces (Police & Fire) the Service Department, Mayor's Court, Dispatch Services, and the Administration along with all other funds of the Village excluding custodial funds.

Jointly Governed Organizations

The Village contracts with the Chagrin Valley Dispatch COG to provide security of persons and property. In addition, the Village participated in the Valley Enforcement Regional Council of Governments (VERCOG), which is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. Note 13 to the financial statements provides additional information for these entities.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

General Fund: The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any proper public purpose provided it is expended or transferred according to the general laws of Ohio. The General Fund is the main operating fund for the Village. The main source of revenue for the General Fund is local income taxes primarily collected by the Regional Income Tax Agency while also receiving some distributions from the State of Ohio. In 2022 the Village received \$4,305,303 in gross local income tax distributions. Expenditures for the General Fund are categorized by Department including Administration (General Government), Mayor's Court, Police and Fire (Security of Persons and Property), and the Service Department (Transportation).

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

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

Several of the major Special Revenue Funds are described below:

2011 Street Construction Maintenance and Repair Fund: This 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.

2131 Police Pension Fund: This Fund receives proceeds collected by the Cuyahoga County Tax Treasurer from a .3 mill property tax in Woodmere Village.

2901 Fire Levy Fund: This Fund was established by the voters of Woodmere Village to issue a 1 mill property tax for funding various operations of the fire department including capital equipment and vehicles. The levy generated in revenue for the Fire Department, which is based on the Villages Assessed Valuation multiplied by the rate of the millage.

2151 Local Fiscal Recovery Fund “ARPA”: This Fund was used to account for grants received pertaining to Covid Relief. The grant was used for expenditures for the Police, Fire and Service Departments.

2909 Community Development Block Grant: This Fund was used to account for grant money awarded to the Village by the Cuyahoga County Community for the purpose of a Community Garden. The CDBG Municipal Grants Exterior Home Maintenance program and CDSG Municipal Grant for Public Safety and Traffic Calming program.

2153 Healthy Urban Tree Grant: The Fund was used to account for grants for the planting and maintenance of trees.

2152 NOPEC Grant: This Fund was created for the grant for street light updates.

2154 OAG Body Armor Grant: This Fund was created for the grant for new body armor.

Debt Service Funds: The Village has two debt service funds which are listed below. These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village Debt Service Funds included the following:

3101 General Obligations Debt Service Fund: The Village began 2022 with \$1,290,000 in outstanding note principal for the Service Department Facility, Village Hall Renovation, and the Brainard Road Property. The Village paid down principal in the amount of \$155,000, which left an outstanding note principal amount of \$1,135,000 which was rolled over to 2023 and consisted of a new Service Department Facility: \$635,000 and Village Hall Renovation: \$500,000.

3301 Special Assessment Debt Service Fund: The Village has a Special Assessment Bond (first issued in 2004) that was for the specific purpose of funding the widening of a portion of Chagrin Boulevard located in the Village. The funding is collected from the proceeds of a special assessment tax on local business owners affiliated with the Eton Collection Mall in the Village. This Bond matures in 2024.

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

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

4901 New Vehicle Fund: This Fund is for the Village's Departments to set aside money for the future purchase or replacement of vehicles.

4903 Building Improvement Fund: These dollars are for improvements to buildings owned and maintained by the Village.

4905 Brainard Road Fund: This money is restricted for the purpose of improvements and maintenance for Brainard Road. The expenditures of this Fund have and/or will be reimbursed through a grant awarded to the Village by the Ohio Department of Natural Resources.

4914 ODOT Fund: The Village has committed to the widening of Chagrin Blvd; this fund was created for the purpose of funding that project from grants from ODOT.

Fiduciary Funds: Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. 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.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

The Village's custodial funds include the Road and Building Deposit Bond funds. In addition, the Village also maintains a Mayor's Court Fund, License Forfeiture Fund, and Bail Bond Fund. The Mayor's Court has a Magistrate, Prosecutor and Clerk whose primary responsibility is to account for all financial activity for local citations and fines received. A significant percentage of the fines are subsequently remitted to the Village's General Fund in the month following the month of collection.

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.

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

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

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

Encumbrances: The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2022 budgetary activity appears in Note 4.

Deposits and Investments

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable: The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

Note 3 – Compliance

The Village was in noncompliance with Ohio Revised Code Section 5705.41(D) for not certifying expenditures timely.

The Village was in noncompliance with Ohio Administrative Code 117-2-02(C)(1) for Council approved appropriations not being accurately included in the financial accounting system.

The Village was in noncompliance with Ohio Revised Code Sections 5705.40 and 5705.41(B) for expenditures plus current year encumbrances exceeded appropriations plus prior year encumbrance and for various interfund appropriation transfers not being Council approved.

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

Note 4 – Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,125,040	\$5,353,867	\$1,228,827
Special Revenue	697,832	752,143	54,311
Debt Service	1,415,000	1,418,912	3,912
Capital Projects	234,500	846,575	612,075
Total	<u>\$6,472,372</u>	<u>\$8,371,497</u>	<u>\$1,899,125</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,313,771	\$4,953,443	\$360,328
Special Revenue	847,282	508,729	338,553
Debt Service	1,419,926	1,416,736	3,190
Capital Projects	497,237	356,900	140,337
Total	<u>\$8,078,216</u>	<u>\$7,235,808</u>	<u>\$842,408</u>

Note 5 – 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 deposit and investment accounts are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$1,314,562
Total deposits	<u>1,314,562</u>
STAR Ohio	<u>2,577,240</u>
Total investments	<u>2,577,240</u>
Total Deposits and Investments	<u>\$3,891,802</u>

The Village did not use a separate payroll clearing account in 2022. The Village does have Paylocity as their third-party administrator overseeing various payroll matters. The disbursements included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings.

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

Deposits

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

Investments

At year end December 31, 2022, the value of the Village's investments at Star Ohio was \$2,577,240. Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 6 – Taxes

Property Taxes

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

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

Income Taxes

The Village levies a municipal income tax of 2.5% percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

The Village contracts with the Regional Income Tax Agency to collect local income taxes and to pursue delinquent taxpayers. In addition, the Village contracts with an individual to provide Tax Auditing on behalf of the Village. Employers within the Village withhold income tax on employee compensation and remit the tax to the Regional Income Tax Agency either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. Also, some entities file their local taxes with the State of Ohio and then the local taxes are remitted back to the Village by the State.

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

Note 7 – Interfund Balances

Outstanding year-end advances on December 31, 2022, consisted of \$25,167 (\$23,567 - 2022 advance and \$1,600 - 2017 advance) advanced from the General Fund to the Community Development Block Grant Fund (Special Revenue Fund Type) and \$10,000 advanced from the General Fund to the OAG Body Armor Grant Fund (Special Revenue Fund Type). A request to the Council to return these advances to the General Fund will be made once the Village receives reimbursement from the related grants.

Note 8 – Risk Management

Workers' Compensation

The State of Ohio provides Workers' Compensation coverage. 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.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.
- Vehicles; and
- Errors and omissions.

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village employees, who are not full-time certified police or fire department employees, belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10.00% percent of their gross salaries, and the Village contributed an amount equaling 14.00% percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

Village full-time certified Fire Fighters and full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% percent of their wages. The Village contributed to OP&F an amount equal to 19.50% percent of full-time police members' wages and 24.00% percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2022.

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

Social Security

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

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

Note 10 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0.00% during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.00% during calendar year 2022. OP&F contributes 0.50% to fund these benefits.

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

Note 11 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Various Purpose Notes, Series 2022	\$1,135,000	4.00%
Special Assessment Bonds	\$200,000	5.50%
Fire Truck Loan	\$425,000	5.15%
Total	<u>\$1,760,000</u>	

The Special Assessment Bonds were issued in 2004 for the purpose of widening the eastern side of Chagrin Boulevard and to pay for the project via special assessments on the tax bill of the owners of the Eton Collection Mall. The bonds mature in 2024 and are paid from the Special Assessment Debt Service Fund (Debt Service Fund Type).

The General Obligation Notes matured, and the Various Purpose Notes, Series 2022 were issued in December of 2022 for the new Service Department Facility and Village Hall Renovation. The notes mature in 2023 and are paid from the General Obligations Debt Service Fund (Debt Service Fund Type).

The Fire Truck loan was entered into in 2022 for the purchase of a new fire truck. The loan will mature in 2037 and the down payment was paid from the New Vehicle Fund (Capital Projects Fund Type) and loan payments will be paid from the General Fund.

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

Amortization

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

Year Ending December 31:	Various Purpose Notes, Series 2022	Special Assessment Bonds	Fire Truck Loan
2023	\$1,180,400	\$106,000	\$41,764
2024	0	110,775	41,764
2025	0	0	41,764
2026	0	0	41,764
2027	0	0	41,764
2028-2032	0	0	208,821
2033-2037	0	0	208,821
Total	<u>\$1,180,400</u>	<u>\$216,775</u>	<u>\$626,464</u>

Note 12 – Contingent Liabilities

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 13 – Jointly Governed Organizations

Valley Enforcement Regional Council of Governments

The Village is a member of the Valley Enforcement Regional Council of Governments (VERCOG), a jointly governed organization. VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code.

VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (VEG), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is comprised of approximately fifteen communities located within the Chagrin Valley region which exercise Law enforcement authority under Ohio law and whose law enforcement agency consisted of four or more full time, sworn law enforcement officers.

VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purpose. The Village paid an annual membership fee to belong which was \$10,000 in 2022.

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

Chagrin Valley Dispatch Regional Council of Governments

Woodmere Village is also a member of the Chagrin Valley Dispatch Regional Council of Governments (RCOG) which is the communication center for numerous municipalities of the Chagrin Valley and greater Cleveland area. Chagrin Valley Dispatch is the communication center for 26 municipalities between Bedford and Brecksville, in the greater Cleveland area. The dispatch center is the first step to providing emergency services to over 125,000 residents.

Fully trained dispatchers maintain certifications in Emergency Medical Dispatch (EMD), Cardio Pulmonary Resuscitation (CPR), and National Incident Management System (NIMS). The center is staffed 24/7 with a minimum of 14 dispatchers on duty at all times. The staff consists of 69 full-time and 8 part-time employees, 16 supervisors, 4 information technology employees, 1 information technology administrator, 1 assistant director, and 1 director.

During 2022, the Village paid \$253,892 to Chagrin Valley Dispatch RCOG.

Note 14 – 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:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	107,884	138,381	0	5,313	251,578
<i>Total</i>	<u>\$107,884</u>	<u>\$138,381</u>	<u>\$0</u>	<u>\$5,313</u>	<u>\$251,578</u>

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

Note 15 – 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. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 may impact subsequent periods of the Village. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines. In 2022, the Village received \$45,033 in Local Fiscal Recovery monies.

Note 16 – Prior Period Restatement

During 2022, the Village determined the need to void prior year outstanding checks. The determination had the following effect on the general fund cash balance at January 1, 2022:

	<u>General</u>
<u>Fund cash balance</u>	
December 31, 2021	\$ 1,389,756
Voided Prior Year Outstanding Checks	824
January 1, 2022, restated	<u>\$ 1,390,580</u>

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

Village of Woodmere
Cuyahoga County
27899 Chargin Blvd.
Woodmere, Ohio 44122

To the Members of the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total of the Village of Woodmere, Cuyahoga County, Ohio, as of and for the year ended December 31, 2022 and the related notes to the financial statements and have issued our report thereon dated October 28, 2024, wherein we noted the Village of Woodmere followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village of Woodmere'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 and responses as items 2022-001 through 2022-005 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Woodmere's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2022-003 through 2022-005.

Village of Woodmere

Cuyahoga County

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

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

Village of Woodmere's Responses to Findings

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.

October 28, 2024

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO**

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

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

Material Weakness - Financial Reporting

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

The following adjustments were made to the financial statements and notes:

- Debt Service Funds (Special Assessment Debt Service Fund): property tax receipts were decreased and special assessment receipts were increased \$108,986, to properly record special assessment receipts.
- General Fund: other debt proceeds and capital outlay disbursements were increased \$425,000 to properly record the loan agreement for a new fire truck.
- Capital Projects Funds (New Vehicle Fund): security of persons and property disbursements were decreased and capital outlay disbursements were increased \$200,000, to properly record the downpayment for a new fire truck.
- Custodial Fund Type (Mayor's Court Fund) distributions to other government deductions were decreased and distributions to other funds (Primary Gov't) deductions were increased \$77,492 in order to properly record amounts paid from the Mayor's Court Fund to the General Fund.

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

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

Client Response: The Village Treasurer will more closely examine their report prior to filing with HINKLE and will work toward more accurately presenting those in the future.

Finding Number	2022-002
----------------	----------

Material Weakness – Employee Payroll Files/Payroll Rates

Effective payroll controls should include detailed employee files that provide all the documentation to support an employee's rate at all times. Additionally, payroll controls should include procedures where each pay period there is a detailed review of payroll that is performed and approved by someone other than the person preparing the payroll. Throughout the year random audits of employees should be performed to help ensure all gross amounts paid to employees are accurate.

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO**

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

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

The Village lacked controls to easily identify the rates of pay of all employees. Additionally, due to the lack of payroll controls, a few employees were overpaid during the year.

Lack of detailed payroll controls which include an easily auditable ledger of an employees' rate from hire date to termination date could lead to employees being over or under paid during the year.

We recommend the Village consider additional internal controls within their payroll segment of operations. A supervisor should evidence approval of a rate change prior to being entered into the payroll system. This approval should be clearly documented within the employees' personnel file and contain evidence of all the required approvals (ie. Council approval, supervisory approval, etc.). The Village should consider approving via Council approval at the beginning of each calendar year all rates of pays for all employees in an easily auditable format. Anytime a rate of pay is changed, all proper approvals should be evidenced in the employee file. We further recommend that quarterly at a minimum, all employee payroll gross amounts are verified independently from the person that prepares payroll. The employee files should also contain all approved salary increases or changes so that, at any point in time, the employee's current salary can be verified.

Client Response: The Village will evaluate its current practices and perform a review of all employee files to ensure all the appropriate information to support gross wages is maintained within, including evidence of the appropriate approvals.

Finding Number	2022-003
----------------	----------

Material Weakness/Noncompliance - Purchase Orders

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

The Village had 30% of tested expenditures that were not timely certified.

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

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

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

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2022-004

Material Weakness/Noncompliance - Integration of Budgetary Information

Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances.

The Village's Council approved appropriations did not all agree to the budgetary amounts the Village included in the financial accounting system.

By not correctly including accurate (approved) budgetary accounts into the financial accounting system, it could become challenging for the Village to easily monitor its budgeted activity in comparison with its actual amounts. The Village is also at risk for overspending in excess of available funds, which could possibly result in negative fund balances.

We recommend that approved budgetary modifications be incorporated into the financial accounting system by the Treasurer in a timely manner. This will aid Council and Treasurer in their review of budgetary versus actual information and help ensure budgetary requirements are followed.

Client Response: The Village Treasurer will ensure appropriations are accurately posted to the financial accounting system going forward.

Finding Number	2022-005
----------------	----------

Material Weakness/Noncompliance - Amended and Supplemental Appropriations

Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated. In addition, Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section states that any amendments to an appropriation measure be made by Council resolution and comply with the same provisions of the law as used in making the original appropriations.

The Village had various legal level of control and total fund noncompliance where expenditures plus current year encumbrances exceeded appropriations plus prior year encumbrances. Additionally, the Council did not approve various interfund appropriation transfers that were made within the legal level of control that should have required Village Council approval.

By not timely and properly modifying the Village's appropriations, the Village is not adequately monitoring appropriations versus disbursements. With disbursements exceeding appropriations, overspending may occur which may result in a negative fund balance.

We recommend the Village comply with Ohio Revised Code by monitoring disbursements, so they do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary, subsequent to the passage of permanent appropriations.

Client Response: The Village Treasurer will more closely monitor budgeted appropriations versus actual expenditures to ensure expenditures do not exceed appropriations going forward.



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

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2021-001	2017	<u>Material Weakness – Financial Reporting:</u> Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Numerous adjustments were made to the financial statements and related notes.	Not Corrected	Repeated as Finding 2022-001; as adjustments to the financial statements and related notes were necessary to properly state financial activity.
2021-002	2021	<u>Material Weakness – Employee Payroll Files/Payroll Rates:</u> Effective payroll controls should include detailed employee files that provide all the documentation to support an employee's rate at all times. Additionally, payroll controls should include procedures where each pay period there is a detailed review of payroll that is performed and approved by someone other than the person preparing the payroll. Throughout the year random audits of employees should be performed to help ensure all gross amounts paid to employees are accurate. The Village lacked controls to easily identify the rates of pay of all employees.	Not Corrected	Repeated as Finding 2022-002; as the Village lacked controls to easily identify the rates of pay of all employees and due to the lack of payroll controls, a few employees were overpaid during the year.
2021-003	2021	<u>Material Weakness/Noncompliance:</u> The Village's Treasurer did not certify the availability of funds prior to making commitments in noncompliance with Ohio Revised Code Section 5705.41(D). Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.	Not Corrected	Repeated as Finding 2022-003; as the Village had 30% of tested expenditures that were not timely certified.
2021-004	2021	<u>Material Weakness/Noncompliance – OPWC On-Behalf Payments:</u> The Village entered into agreements with the Ohio Public Works Commission (OPWC). The OPWC will make payments to the contractor(s) for its share based on invoices submitted by the treasurer or to the local government as a reimbursement. For payments made to the contractor, the state will notify the treasurer of the amount disbursed. Upon receipt of this notice, each local government shall record a receipt and disbursement in the appropriate governmental and/or enterprise fund equal to the amount disbursed. The Village did not record the payments made directly to contractors, on-behalf of the Village as part of the OPWC projects.	Corrective Action Taken and Finding is Fully Corrected	N/A



The Village Of Woodmere
"Gateway To The Chagrin Valley"
27899 Chagrin Boulevard • Woodmere Village, Ohio 44122
216-831-9511

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

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2021-005	2021	<u>Material Weakness/Noncompliance – Establishment of Funds:</u> Ohio Revised Code Section 5705.09(F) requires a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. The Village did not establish a separate fund in 2021 for the Local Fiscal Recovery monies.	Corrective Action Taken and Finding is Fully Corrected	N/A

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WOODMERE

CUYAHOGA 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 3/11/2025

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