

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022-2021

OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Dresden
PO Box 539
Dresden, OH 43821

We have reviewed the *Independent Auditor's Report* of the Village of Dresden, Muskingum County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

December 05, 2023

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**VILLAGE OF DRESDEN
MUSKINGUM COUNTY
FOR THE YEARS ENDED DECEMBER 31, 2022-2021**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Village of Dresden
Muskingum County
P.O. Box 539
Dresden, Ohio 43821

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Additional Opinion Qualification

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

We conducted our audit in accordance with auditing standards general accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor Responsibilities for the Audit of Financial Statements* section of our report. We are required to be independent of Village of Dresden, 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 Additional Opinion Qualification

Charges for Service receipts in the Swimming Pool Enterprise Fund are reported at \$145,212 and \$203,064 for the years ended December 31, 2022 and 2021, respectively, which are 15% and 23% of total Enterprise Funds operating receipts for the years ended December 31, 2022 and 2021, respectively. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as Charges for Services receipts. Consequently, we were unable to determine if any adjustments to these amounts were necessary.

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

Emphasis of Matter

As described in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2023, on our consideration of Village of Dresden's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
October 17, 2023

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
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 Tax and Other Local Taxes	\$ 142,054	\$ 63,481	\$ -	\$ -	\$ 205,535
Municipal Income Tax	277,095	-	-	-	277,095
Intergovernmental Receipts	64,011	231,774	84,441	-	380,226
Charges for Services	-	449,068	-	-	449,068
Fines, Licenses, and Permits	19,340	-	-	-	19,340
Earnings on Investments	12,720	-	-	-	12,720
Miscellaneous	14,707	10,210	-	-	24,917
Total Cash Receipts	529,927	754,533	84,441	-	1,368,901
Cash Disbursements					
Current:					
Security of Persons and Property	325,687	568,376	-	-	894,063
Public Health Services	-	100,406	-	-	100,406
Basic Utility Services	-	24,327	-	-	24,327
Transportation	-	149,592	-	-	149,592
General Government	128,668	1,384	-	-	130,052
Capital Outlay	-	22,772	604,705	20,210	647,687
Debt Service:					
Principal	-	35,645	75,000	-	110,645
Interest	-	1,008	4,961	-	5,969
Total Cash Disbursements	454,355	903,510	684,666	20,210	2,062,741
Excess of Receipts Over (Under) Disbursements	75,572	(148,977)	(600,225)	(20,210)	(693,840)
Other Financing Receipts/(Disbursements)					
Transfers In	-	5,000	226	-	5,226
Transfers Out	(52,926)	-	-	-	(52,926)
Sale of Bonds	-	-	600,000	-	600,000
Advances In	2,500	25,272	-	-	27,772
Advances Out	(25,272)	(2,500)	-	-	(27,772)
Total Other Financing Receipts/(Disbursements)	(75,698)	27,772	600,226	-	552,300
Net Change in Fund Cash Balance	(126)	(121,205)	1	(20,210)	(141,540)
Fund Cash Balances, January 1, 2022	243,692	460,208	-	20,210	724,110
Fund Cash Balances, December 31, 2022	\$ 243,566	\$ 339,003	\$ 1	\$ -	\$ 582,570

See notes to financial statements.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

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

	Proprietary Fund Type Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 876,901
Miscellaneous	94,401
	971,302
Total Operating Cash Receipts	971,302
Operating Cash Disbursements:	
Personal Services	249,029
Fringe Benefits	87,499
Contractual Services	187,578
Supplies and Materials	406,435
	930,541
Total Operating Cash Disbursements	930,541
Operating Income/(Loss)	40,761
Non-Operating Cash Receipts (Disbursements):	
Intergovernmental Receipts	1,183,142
Special Assessments	35,764
Miscellaneous	23,019
Capital Outlay	(339,928)
Principal Retirement	(276,062)
Interest and Other Charges	(63,959)
	561,976
Total Non-Operating Cash Receipts (Disbursements)	561,976
Income (Loss) before Capital Contribution, Special Item, Extraordinary Item, Transfers and Advances	602,737
Transfers In	50,891
Transfers Out	(3,191)
	650,437
Net Change in Fund Cash Balance	650,437
Fund Cash Balances, January 1	1,006,560
Fund Cash Balances, December 31	\$ 1,656,997

See notes to financial statements.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS AND
CHANGES IN FUND BALANCES (REGULATORY CASH)
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Custodial
	Other Custodial
Additions:	
Fines, Licenses and Permits for Distribution	\$ 3,010
Total Additions	3,010
Deductions:	
Distribution to Other Funds (Primary Government)	3,023
Total Deductions	3,023
Net Change in Fund Cash Balances	(13)
Fund Cash Balances, January 1	523
Fund Cash Balances, December 31	\$ 510

See notes to financial statements.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Dresden, Muskingum County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government, including water and sewer utilities, park operations (leisure time activities), paid fire/ambulance protection, and police services (security of persons and property).

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

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 balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) 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:

Governmental Funds

General Fund

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

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

Bedford Place TIF Fund – A TIF was generated as the result of an addition to the Village in 2014. A TIF is a public financing method that is used as a subsidy for redevelopment, infrastructure, and other community-improvement projects.

Cemetery Fund – This fund accounts for and reports on the funds collected by sale of lots and burials in the Village owned land.

Fire and Squad Fund – This fund accounts for and reports on the funds collected by fire protection and EMS services contracts, as well as billed payments received for Emergency Medical Services.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds (Continued)

Fire Operations Sinking Fund – This fund accounts for and reports on funds collected by fire and EMS services contracts, which provides the payroll for Firefighters and EMS personnel employed by the Village.

OMVI Fund – This fund accounts for and reports the funds received from the State of Ohio which are specifically assigned to OMVI uses.

Permissive MVL Fund – This fund accounts for and reports funds received from the State of Ohio for purposes pertaining to road repairs.

Police Cruiser Fund – This fund receives funds from the Police Department fund raisers that use donations to aid in the purchase of vehicles for the Police Department.

State Highway Fund – This fund accounts for and reports that portion of the State of Ohio gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of the state highway within the Village. This includes light repairs and painting of pedestrian walking lines.

Street Construction, Maintenance and Repair Fund – This fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining and repairing Village streets.

Street Lighting Fund – This fund receives a special assessment levy to pay for Village street lighting.

Debt Service Funds

These funds are used to accumulate resources for the payment of bonds and note indebtedness. These funds are also used for payment of special assessments.

Street Paving Bond Fund – This accounts for debt service payments for purposes of street paving.

Capital Projects 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 Fund:

Capital Improvement Fund – This fund receives money from the sale of Village equipment and property to be used for capital projects.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

Water Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Senior Center Fund – This fund accounts for funds received that apply towards the regular expenses related to the running of a Senior Citizens Center.

Storm Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Swimming Pool Fund – This fund receives money from season pool passes, pool admittances and sale of concessions which are used to operate the public swimming pool.

Sewer Construction Fund – This fund accounts for and reports the portion of revenue received from monthly water and sewer bills.

Trinway Water Project Fund – This fund accounts for and reports the portion of revenue received from monthly water and sewer bills.

Water Sinking Capital Improvement Fund – This fund accounts for and reports the portion of revenue received from monthly water and sewer bills.

Fiduciary Funds

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for Mayors' Court activity.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 117-2-03(C) permit.

Budgetary Process

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

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accumulated Leave

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

Fund Balance

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

Nonspendable – The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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* via formal action (resolution). The Village must adhere to these commitments unless 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*. Governmental funds other than general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2022 is as follow:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 452,499	\$ 529,927	\$ 77,428
Special Revenue	770,863	759,533	(11,330)
Debt Service	684,441	684,667	226
Capital Projects	-	-	-
Enterprise	2,500,540	2,264,118	(236,422)
Total	\$ 4,408,343	\$ 4,238,245	\$ (170,098)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 567,709	\$ 507,281	\$ 60,428
Special Revenue	967,126	903,510	63,616
Debt Service	679,491	684,666	(5,175)
Capital Projects	-	20,210	(20,210)
Enterprise	2,379,613	1,613,681	765,932
Total	\$ 4,593,939	\$ 3,729,348	\$ 864,591

Contrary to ORC 5705.41(B), the Village had funds with expenditures exceeding appropriation authority.

Contrary to ORC 5705.41(D), the Village made expenditures prior to certification.

4. DEPOSITS AND INVESTMENTS

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

	2022
Cash Management Pool:	
Demand Deposits	\$ 2,234,127
Certificates of Deposit	5,950
Total Carrying Amounts of Deposits and Investments held in Pool	\$ 2,240,077

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

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

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

5. PROPERTY TAX

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

6. LOCAL INCOME TAX

The Village levies a municipal income tax of 1percent 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. In 2022, the Village brought the tax administration and collection back to the Village and terminated the contract with the Central Collection Agency.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

Some of the Village's full-time employees belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes the plan benefits, which include postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2022, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.0% of participant's gross salaries. The Village has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement

The Village's full-time police officers belong to the 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 healthcare and survivor and disability benefits.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

8. DEFINED BENEFIT PENSION PLAN (Continued)

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

Social Security

Several Village employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

9. POSTEMPLOYMENT BENEFITS

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

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

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

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

10. DEBT

Debt outstanding at December 31, 2022 was as follows:

	2022	
	<u>Principal</u>	<u>%</u>
OWDA 5281 Trinway Waterline Extension	\$ 181,328	0.00
OWDA 7523 WWTP Improvements	792,382	2.44
Swim Center Bonds	243,843	3.50
2022 Street Paving Bond	525,000	4.95
2019 Truck Acquisition Bond	31,864	4.50
2020 Ambulance Bonds	53,251	2.99
2020 USDA WWTP Bonds	3,409,000	1.38
2020 OPWC CT38W Street Paving	35,689	0.00
2020 OPWC CT665 WWTP Loan	570,000	0.00
OWDA 9096 Water Storage Tank	211,614	1.47
Total	<u>\$ 6,053,971</u>	

The OPWC Loan #CT38W relates to a street paving project. The total disbursed to the Village is \$43,925 and the loan will be repaid over ten years from the Street Fund. The OPWC Loan #CT665 related to the wastewater treatment plant improvements project. The amount disbursed to the Village was \$600,000 and will be repaid over thirty years from the Sewer Fund.

The OWDA Loan #5281 relates to the Trinway waterline extension project in 2010. The total amount disbursed was \$310,849 and the loan will be repaid in semiannual installments of \$5,181, over 27 years from the Trinway Water Project Fund. The OWDA Loan # 7523 relates to improvements to the water treatment plant. This loan has not been fully disbursed as of December 31, 2021 and no amortization schedule is available for its repayment. The Village has drawn \$902,134 as of December 31, 2021. This loan is being repaid from the Water Operating Fund. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The OWDA Loan #9096 relates to a water storage tank replacement project. The Village has drawn \$226,461 as of December 31, 2021. This loan has not been fully disbursed and no amortization schedule is available for repayment.

During 2020, the Village issued bonds for the wastewater treatment plant improvements project through the United States Department of Agriculture (USDA). The amount of bonds authorized to be issued is \$3,477,000. As of December 31, 2021, \$3,477,000 has been drawn on this project from the USDA. Bonds will begin to be repaid in 2022.

The Village issued Swim Center Bonds in 2014 in the amount of \$375,000 from Century National Bank. The debt will be repaid over 15 years with monthly payments of \$2,185 from the Swimming Pool and Senior Fund. The Village issued truck acquisition bonds in 2019 in the amount of \$74,689. The debt will be repaid over five years with annual installments of \$17,015, including interest, from various funds. The Village issued Ambulance Bonds in 2020 in the amount of \$86,226. The debt will be repaid over five years with annual installments of \$18,824 including interest from the Fire and Squad Fund.

During 2022, the Village issued bonds for street paving through the Park National Bank. The amount of bonds authorized to be issued is \$600,000. The bonds will be repaid with annual installments for ten years with 4.95% interest. This will be paid from the Street Paving Bond Fund.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

10. DEBT (Continued)

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

Year Ending December 31	Truck Bonds	Ambulance Bond	OPWC CT38W	Swim Center Bonds
2023	\$ 17,015	\$ 18,824	\$ 5,490	\$ 26,217
2024	17,015	18,824	5,490	26,217
2025	-	18,824	5,490	26,217
2026	-	-	5,490	26,217
2027	-	-	5,490	26,217
2028-2032	-	-	8,239	131,085
2033-2037	-	-	-	34,954
Total	<u>\$ 34,030</u>	<u>\$ 56,472</u>	<u>\$ 35,689</u>	<u>\$ 297,124</u>

Year Ending December 31	OPWC CT66S	OWDA #5281	Street Bonds	USDA WWTP Bonds
2023	\$ 20,000	\$ 10,362	\$ 74,318	\$ 115,774
2024	20,000	10,362	74,940	115,726
2025	20,000	10,362	75,271	115,867
2026	20,000	10,362	74,513	115,792
2027	20,000	10,362	74,651	115,805
2028-2032	100,000	51,810	74,670	578,737
2033-2037	100,000	51,810	74,459	578,944
2038-2042	100,000	25,898	74,129	578,956
2043-2047	100,000	-	73,642	578,840
2048-2052	70,000	-	-	578,955
2053-2057	-	-	-	578,946
2058-2062	-	-	-	347,337
Total	<u>\$ 570,000</u>	<u>\$ 181,328</u>	<u>\$ 670,593</u>	<u>\$ 4,399,679</u>

11. CONTINGENT LIABILITIES

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

12. FUND BALANCES

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the expendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the balances of those amounts were as follows:

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

12. FUND BALANCES (Continued)

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
Nonspendable:				
Corpus	\$ -	\$ -	\$ -	\$ -
Outstanding Encum.	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

13. COVID-19

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

During 2022, the Village received \$88,921 in American Rescue Plan funding.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Property Tax and Other Local Taxes	\$ 128,125	\$ 71,618	\$ -	\$ 199,743
Municipal Income Tax	308,406	-	-	308,406
Intergovernmental Receipts	51,738	176,131	-	227,869
Charges for Services	-	464,015	-	464,015
Fines, Licenses, and Permits	28,727	-	-	28,727
Earnings on Investments	475	-	-	475
Miscellaneous	18,771	51,633	-	70,404
Total Cash Receipts	536,242	763,397	-	1,299,639
Cash Disbursements				
Current:				
Security of Persons and Property	321,487	479,562	-	801,049
Public Health Services	-	196,245	-	196,245
Transportation	-	141,486	-	141,486
General Government	126,098	444	-	126,542
Debt Service:				
Principal	-	36,970	-	36,970
Interest	-	8,728	-	8,728
Total Cash Disbursements	447,585	863,435	-	1,311,020
Excess of Receipts Over (Under) Disbursements	88,657	(100,038)	-	(11,381)
Other Financing Receipts/(Disbursements)				
Transfers In	-	42,419	-	42,419
Transfers Out	(42,419)	-	-	(42,419)
Sale of Capital Assets	994	5,150	-	6,144
Other Financing Uses	-	(5,854)	-	(5,854)
Advances In	23,296	9,473	-	32,769
Advances Out	(23,296)	(9,473)	-	(32,769)
Total Other Financing Receipts/(Disbursements)	(41,425)	41,715	-	290
Net Change in Fund Cash Balance	47,232	(58,323)	-	(11,091)
Fund Cash Balances, January 1, 2021, restated	196,460	518,531	20,210	735,201
Fund Cash Balances, December 31, 2021	\$ 243,692	\$ 460,208	\$ 20,210	\$ 724,110

See notes to financial statements.

VILLAGE OF DRESDEN
MUSKINGUM COUNTY

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

	Proprietary Fund Type Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 761,678
Miscellaneous	128,208
	889,886
Total Operating Cash Receipts	889,886
Operating Cash Disbursements:	
Personal Services	245,747
Fringe Benefits	82,509
Contractual Services	310,931
Supplies and Materials	710,985
	1,350,172
Total Operating Cash Disbursements	1,350,172
Operating Income/(Loss)	(460,286)
Non-Operating Cash Receipts (Disbursements):	
Intergovernmental Receipts	372,611
Special Assessments	30,329
Sale of Bonds	2,415,153
Loan Proceeds	233,108
Miscellaneous	42,868
Capital Outlay	(2,625,205)
Principal Retirement	(96,107)
Interest and Other Charges	(22,766)
	349,991
Total Non-Operating Cash Receipts (Disbursements)	349,991
Income (Loss) before Capital Contribution, Special Item, Extraordinary Item, Transfers and Advances	(110,295)
Advances In	13,823
Advances Out	(13,823)
	-
Net Change in Fund Cash Balance	(110,295)
Fund Cash Balances, January 1	1,116,855
Fund Cash Balances, December 31	\$ 1,006,560

See notes to financial statements.

VILLAGE OF DRESDEN
MUSKINGUM COUNTY

COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS AND
CHANGES IN FUND BALANCES (REGULATORY CASH)
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Custodial</u>
	<u>Other Custodial</u>
Additions:	
Fines, Licenses and Permits for Distribution	\$ 5,900
Total Additions	<u>5,900</u>
Deductions:	
Distribution to Other Funds (Primary Government)	<u>12,794</u>
Total Deductions	<u>12,794</u>
Net Change in Fund Cash Balances	<u>(6,894)</u>
Fund Cash Balances, January 1	<u>7,417</u>
Fund Cash Balances, December 31	<u>\$ 523</u>

See notes to financial statements.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Dresden, Muskingum County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government, including water and sewer utilities, park operations (leisure time activities), paid fire/ambulance protection, and police services (security of persons and property).

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

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 balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) 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:

Governmental Funds

General Fund

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

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

Bedford Place TIF Fund – A TIF was generated as the result of an addition to the Village in 2014. A TIF is a public financing method that is used as a subsidy for redevelopment, infrastructure, and other community-improvement projects.

Cemetery Fund – This fund accounts for and reports on the funds collected by sale of lots and burials in the Village owned land.

Fire and Squad Fund – This fund accounts for and reports on the funds collected by fire protection and EMS services contracts, as well as billed payments received for Emergency Medical Services.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds (Continued)

Fire Operations Sinking Fund – This fund accounts for and reports on funds collected by fire and EMS services contracts, which provides the payroll for Firefighters and EMS personnel employed by the Village.

OMVI Fund – This fund accounts for and reports the funds received from the State of Ohio which are specifically assigned to OMVI uses.

Permissive MVL Fund – This fund accounts for and reports funds received from the State of Ohio for purposes pertaining to road repairs.

Police Cruiser Fund – This fund receives funds from the Police Department fund raisers that use donations to aid in the purchase of vehicles for the Police Department.

State Highway Fund – This fund accounts for and reports that portion of the State of Ohio gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of the state highway within the Village. This includes light repairs and painting of pedestrian walking lines.

Street Construction, Maintenance and Repair Fund – This fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining and repairing Village streets.

Street Lighting Fund – This fund receives a special assessment levy to pay for Village street lighting.

Capital Projects 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 Fund:

Capital Improvement Fund – This fund receives money from the sale of Village equipment and property to be used for capital projects.

Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

Water Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Funds (Continued)

Senior Center Fund – This fund accounts for funds received that apply towards the regular expenses related to the running of a Senior Citizens Center.

Storm Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Swimming Pool Fund – This fund receives money from season pool passes, pool admittances and sale of concessions which are used to operate the public swimming pool.

Sewer Construction Fund – This fund accounts for and reports the portion of revenue received from monthly water and sewer bills.

Trinway Water Project Fund – This fund accounts for and reports the portion of revenue received from monthly water and sewer bills.

Water Sinking Capital Improvement Fund – This fund accounts for and reports the portion of revenue received from monthly water and sewer bills.

Fiduciary Funds

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for Mayors' Court activity.

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 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 117-2-03(C) permit.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process

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

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

Accumulated Leave

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

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

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

Nonspendable – The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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* via formal action (resolution). The Village must adhere to these commitments unless 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*. Governmental funds other than general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2021 is as follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 572,892	\$ 537,236	\$ (35,656)
Special Revenue	742,920	810,966	68,046
Enterprise	5,742,850	3,983,955	(1,758,895)
Total	\$ 7,058,662	\$ 5,332,157	\$ (1,726,505)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 598,770	\$ 493,076	\$ 105,694
Special Revenue	950,401	871,390	79,011
Enterprise	5,780,502	4,125,599	1,654,903
Total	\$ 7,329,673	\$ 5,490,065	\$ 1,839,608

Contrary to ORC 5705.41(B), the Village had funds with expenditures exceeding appropriation authority.

Contrary to ORC 5705.41(D), the Village made expenditures prior to certification.

4. DEPOSITS AND INVESTMENTS

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

	2021
Cash Management Pool:	
Demand Deposits	\$ 1,725,261
Certificates of Deposit	5,932
Total Carrying Amounts of Deposits and Investments held in Pool	\$ 1,731,193

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Village is holding \$0 in unremitted employee payroll withholdings.

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

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

5. PROPERTY TAX

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

6. LOCAL INCOME TAX

The Village levies a municipal income tax of 1 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 Central Collection Agency administers the income tax for the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

Some of the Village's full-time employees belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes the plan benefits, which include postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2021, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.0% of participant's gross salaries. The Village has paid all contributions required through December 31, 2021.

Ohio Police and Fire Retirement

The Village's full-time police officers belong to the 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 healthcare and survivor and disability benefits.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

8. DEFINED BENEFIT PENSION PLAN (Continued)

The Ohio Revised Code also prescribes contribution rates. OP&F participants in 2021, contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police officer’s wages. The Village has paid all contributions required through December 31, 2021.

Social Security

Several Village employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2021.

9. POSTEMPLOYMENT BENEFITS

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

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

10. DEBT

Debt outstanding at December 31, 2021 was as follows:

	2021	
	<u>Principal</u>	<u>%</u>
OWDA 5281 Trinway Waterline Extension	\$ 191,690	0.00
OWDA 7523 WWTP Improvements	815,157	2.44
OPWC CTA5M Trunk Line Replacement	128,746	0.00
Swim Center Bonds	261,058	3.50
2019 Truck Acquisition Bond	46,774	4.50
2020 Ambulance Bonds	69,981	2.99
2020 USDA WWTP Bonds	3,477,000	1.38
2020 OPWC CT38W Street Paving	41,180	0.00
2020 OPWC CT665 WWTP Loan	590,000	0.00
OWDA 9096 Water Storage Tank	219,092	1.47
Total	<u>\$ 5,840,678</u>	

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

10. DEBT (Continued)

The OPWC Loan #CTA5M relates to a truck sanitary sewer replacement project in 2009. The total amount disbursed to the Village was \$286,103, and the loan will be repaid with the proceeds of sewer revenues in semiannual installments of \$7,153 over 20 years from the Sewer Construction Fund. The OPWC Loan #CT38W relates to a street paving project. The total disbursed to the Village is \$43,925 and the loan will be repaid over ten years from the Street Fund. The OPWC Loan #CT66S related to the wastewater treatment plant improvements project. The amount disbursed to the Village was \$600,000 and will be repaid over thirty years from the Sewer Fund.

The OWDA Loan #5281 relates to the Trinway waterline extension project in 2010. The total amount disbursed was \$310,849 and the loan will be repaid in semiannual installments of \$5,181, over 27 years from the Trinway Water Project Fund. The OWDA Loan # 7523 relates to improvements to the water treatment plant. This loan has not been fully disbursed as of December 31, 2021 and no amortization schedule is available for its repayment. The Village has drawn \$902,134 as of December 31, 2021. This loan is being repaid from the Water Operating Fund. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The OWDA Loan #9096 relates to a water storage tank replacement project. The Village has drawn \$226,461 as of December 31, 2021. This loan has not been fully disbursed and no amortization schedule is available for repayment.

During 2020, the Village issued bonds for the wastewater treatment plant improvements project through the United States Department of Agriculture (USDA). The amount of bonds authorized to be issued is \$3,477,000. As of December 31, 2021, \$3,477,000 has been drawn on this project from the USDA. Bonds will begin to be repaid in 2022.

The Village issued Swim Center Bonds in 2014 in the amount of \$375,000 from Century National Bank. The debt will be repaid over 15 years with monthly payments of \$2,185 from the Swimming Pool and Senior Fund. The Village issued truck acquisition bonds in 2019 in the amount of \$74,689. The debt will be repaid over five years with annual installments of \$17,015, including interest, from various funds. The Village issued Ambulance Bonds in 2020 in the amount of \$86,226. The debt will be repaid over five years with annual installments of \$18,824 including interest from the Fire and Squad Fund.

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

Year Ending December 31	Truck Bonds	Ambulance Bond	OPWC CT38W	Swim Center Bonds
2022	\$ 17,015	\$ 18,824	\$ 5,490	\$ 26,217
2023	17,015	18,824	5,490	26,217
2024	17,015	18,824	5,490	26,217
2025	-	18,824	5,490	26,217
2026	-	-	5,490	26,217
2027-2031	-	-	13,730	131,085
2032-2036	-	-	-	61,171
Total	<u>\$ 51,045</u>	<u>\$ 75,296</u>	<u>\$ 41,180</u>	<u>\$ 323,341</u>

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

10. DEBT (Continued)

Year Ending December 31	OPWC CT66S	OWDA #5281	OPWC #CTA5M	USDA WWTP Bonds
2022	\$ 20,000	\$ 10,362	\$ 14,305	\$ 115,809
2023	20,000	10,362	14,305	115,774
2024	20,000	10,362	14,305	115,726
2025	20,000	10,362	14,305	115,867
2026	20,000	10,362	14,305	115,792
2027-2031	100,000	51,810	57,221	578,779
2032-2036	100,000	51,810	-	578,950
2037-2041	100,000	36,260	-	578,952
2042-2046	100,000	-	-	578,852
2047-2051	90,000	-	-	578,913
2052-2056	-	-	-	578,881
2052-2056	-	-	-	463,189
Total	<u>\$ 590,000</u>	<u>\$ 191,690</u>	<u>\$ 128,746</u>	<u>\$ 4,515,484</u>

11. CONTINGENT LIABILITIES

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

12. FUND BALANCES

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the expendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the balances of those amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Nonspendable:				
Corpus	\$ -	\$ -	\$ -	\$ -
Outstanding Encum.	3,072	2,101	-	5,173
Total	<u>\$ 3,072</u>	<u>\$ 2,101</u>	<u>\$ -</u>	<u>\$ 5,173</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

13. COVID-19

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

During 2021, the Village received \$88,567 in American Rescue Plan funding.

14. RESTATEMENT OF FUND BALANCE

Fund balance in the General Fund and Debt Service Funds have been restated for the year beginning January 1, 2021 as rollback was adjusted to Fire Bond Fund in 2020 should not have been as fund was closed:

	General	Debt Service
Fund Balance at December 31, 2020	\$ 189,041	\$ 7,419
Adjustments	7,419	(7,419)
Fund Balance at January 1, 2021	\$ 196,460	\$ -

**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

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

Village of Dresden
Muskingum County
P.O. Box 539
Dresden, Ohio 43821

To the Village Council:

We have audited, in accordance with auditing standards general accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standard* 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 proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements of the Village of Dresden, Muskingum County (the Village) and have issued our report thereon dated October 17, 2023, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Village.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Dresden'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2022-001, 2022-003 and 2022-004 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Dresden's financial statements are free of 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 two 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 item 2022-001 and 2022-002.

Entity's Response to Finding

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

Purpose of this Report

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

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
October 17, 2023

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

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

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

FINDING NUMBER 2022-001

Noncompliance and Material Weakness

Ohio Admin. Code Section 117-2-02(A) states that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

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

For fiscal year ending December 31, 2022, the following reclassifications were noted:

- A reclassification in the amount of \$600,000 was made from Intergovernmental Revenue to Sale of Bonds in the Debt Service Fund for new bonds.
- A reclassification in the amount of \$4,961 was made from Principal Retirement] to Interest and Fiscal Charges in the Debt Service Fund for debt payments.
- A reclassification in the amount of \$604,705 was made from Principal Retirement to Capital Outlay in the Debt Service Fund.
- A reclassification in the amount of \$18,374 was made from Property and Other Local Taxes to Intergovernmental Receipts in the General Fund for posting of Rollbacks.
- A reclassification in the amount of \$43,415 was made from Miscellaneous Revenue to Intergovernmental Revenue in the Fire and Squad Fund for a grant.
- A reclassification in the amount of \$22,775 was made from Capital Outlay to Principal Retirement in the Water Treatment Plant Fund for debt payments.
- A reclassification in the amount of \$49,714 was made from Other Debt Proceeds to Intergovernmental Revenue in the Water Treatment Plant Fund.
- A reclassification in the amount of \$760,492 was made from Loans Issued to Intergovernmental Revenue in the Wastewater Treatment Plant Fund for grants.
- A reclassification in the amount of \$69,236 was made from Interest and Fiscal Charges to Principal Retirement in the Wastewater Treatment Plant Fund for debt payments.

For fiscal year ending December 31, 2021, the following reclassifications were noted:

- A reclassification in the amount of \$15,817 was made from Property and Other Local Taxes to Intergovernmental Revenue in the General Fund for Rollbacks.
- A reclassification in the amount of \$3,403 was made from Principal Retirement to Interest and Fiscal Charges in the Street Fund for debt payments.
- A reclassification in the amount of \$688 was made from Principal Retirement to Interest and Fiscal Charges in the Cemetery Fund for debt payments.
- A reclassification in the amount of \$920 was made from Principal Retirement to Interest and Fiscal Charges in the Police Cruiser Fund for debt payments.

**. VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

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

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

FINDING NUMBER 2022-001 (Continued)

- A reclassification in the amount of \$2,415,133 was made from Loans Issued to Sale of Bonds in the Wastewater Treatment Plant Fund for debt proceeds.
- A reclassification in the amount of \$336,998 was made from Loans Issued to Intergovernmental Revenue in the Wastewater Treatment Plant Fund for grant monies.
- A reclassification in the amount of \$225,500 was made from Intergovernmental Revenue to Loans Issued in the Enterprise Debt Fund for loan monies received.
- A reclassification in the amount of \$35,623 was made from Loans Issued to Intergovernmental Revenue in the Water Treatment Plant Fund for grant monies.
- A reclassification in the amount of \$24,732 was made from Capital Outlay to Principal Retirement in the Water Treatment Plant Fund for debt payments.
- A reclassification in the amount of \$8,431 was made from Transfer-In to Fines, Licenses and Fees in the General Fund to properly show transfers.
- A reclassification in the amount of \$1,117 was made from Transfers-In to Intergovernmental Revenue in the General Fund to properly show transfers.
- A reclassification in the amount of \$1,117 was made from Transfers-Out to Public Health in the Coronavirus Relief to properly show transfers.

These reclassifications, to which management has agreed, are reflected in the accompanying financial statements. Failure to properly classify receipts and disbursements as to the appropriate classification could result in the financial statements being misleading.

The Village Fiscal Officer should refer to the Ohio Village Handbook for proper classification and take additional care in posting transactions to the Village’s accounting records and annual financial report in order to ensure the Village’s year-end financial statements reflect the appropriate sources and uses of the Village’s receipts and disbursements.

Client Response: We will take this and apply to current and future transactions.

FINDING NUMBER 2022-002

Noncompliance

Ohio Revised Code Section 5705.41(B) prohibits the expenditure of funds unless they have been properly appropriated.

Expenditures plus outstanding encumbrances exceeded Council approved appropriations for years ended December 31, 2022 and December 31, 2021 as follows:

Fund	Year	Appropriation Authority	Expenditures	Variance
Cemetery	2022	41,462	42,947	(1,485)
Fire and Squad	2022	554,811	558,381	(3,570)
Street Paving Bond	2022	679,491	684,666	(5,175)

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

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

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

FINDING NUMBER 2022-002 (Continued)

Fund	Year	Appropriation Authority	Expenditures	Variance
Sale of Property	2022	\$ -	\$ 21,210	\$ (20,210)
Water Operating	2022	302,731	377,710	(74,979)
Swimming Pool	2022	319,688	322,921	(3,233)
Senior Center	2022	15,904	16,997	(1,093)
Storm Sewer	2022	37,810	39,105	(1,295)
Sewer Construction	2022	14,305	128,746	(114,441)
Water Treatment Pl	2022	40,067	42,526	(2,459)
Cemetery	2021	48,513	53,239	(4,726)
Police Cruiser	2021	18,900	19,029	(129)
Sewer Operating	2021	167,861	168,783	(922)
Swimming Pool	2021	271,638	297,265	(25,627)
Water Treatment Pl	2021	21,673	40,067	(18,394)
Enterprise DS 5721	2021	449,379	470,275	(20,896)

As noted in Finding 2020-006, appropriations posted to the Village’s accounting system did not agree to appropriations adopted by Village Council. These deficiencies contributed to the above loss of budgetary control. Failure to limit expenditures to Council approved appropriations could result in deficit spending with the Village’s funds.

The Fiscal Officer should deny payment requests exceeding appropriations. The Fiscal Officer and Village Council should compare expenditures to appropriations on a monthly basis. If appropriations in addition to those already adopted will be needed, the Village Council should take the necessary steps to adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations.

Client Response: We will review budget data and make any entry needed to be in compliance.

FINDING NUMBER 2022-003

Material Weakness

The Village should design and operate a system of internal control that is adequate to provide reasonable assurance regarding the achievement of objectives for its public offices in certain categories. Furthermore, the Village should maintain an accounting system and accounting records sufficient to ensure the accountability over entity assets. In addition, the Village should have internal controls sufficient to assure that recorded transactions have occurred and are not fictitious.

The Village was unable to provide sufficient appropriate audit evidence supporting amounts recorded for Charges for Services for the Village’s Swimming Pool Enterprise Fund. The Village had not implemented a method for periodic tracking of inventory of items sold in the concession stand. In addition, regarding daily admissions to the pool, there did not appear to be adequate source documentation with numerical control and there did not appear to be any segregation of duties between the collection of monies and actual admission to the pool.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

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

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

FINDING NUMBER 2022-003 (Continued)

As a result, completeness over swimming pool receipts reported could not be reasonable assured.

The Village should implement a process to monitor the concession stand sales of the Village's Swimming Pool and admissions collected. This could include implementing a system to track inventory of concession items on a periodic basis. In addition, the Village could establish segregation between the collection of admissions and admittance into the swimming pool.

Client Response: We have two options to fix this, 1) install a turn style attendance counter or hire a second person to take pre-numbered tickets. Both options are expensive and we feel the risk is minimal. Therefore it does not make financial sense to pursue either. We will continue to reconcile attendance reports from Square to cash received.

FINDING NUMBER 2022-004

Material Weakness

The Village should have internal controls in place to reasonably assure that budgetary accounts are integrated 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.

Appropriations recorded in the Village's accounting system did not agree to the appropriation resolutions/amendments adopted by Village Council for the years ending December 31, 2022 and 2021. The Fiscal Officer presented financial reports to the Village Council for review and approval; however, budget versus actual information within these financial reports would be inaccurate in comparison to formally approved budgetary information. Without monitoring actual expenditures in relation to approved budget figures, the Council's ability to make informed financial decisions is reduced.

Because the information entered into the accounting system was not accurate, adjustments were made to the budgetary activity reported in Note 3 to the financial statements in order to accurately present appropriations approved by the Village Council and to include budgeted receipts as certified by the County Budget Commission.

The Village Council should approve all appropriations amendments, record approval in the minutes, and file all appropriation amendments with the County Auditor in order to receive confirmation from the County Auditor that appropriations do not exceed estimated resources. The Fiscal Officer should post these amendments only after obtaining required approvals. We further recommend that budget versus actual reports be presented to the Village Council for approval as part of the monthly financial reports. A periodic reconciliation should be performed between authorized budgetary documents and budgeted information posted to the accounting system to ensure the accuracy of the budgetary data.

Client Response: We will continue to improve and follow this process.

**VILLAGE OF DRESDEN
MUSKINGUM COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2022**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2020-001	Noncompliance and Material Weakness Items not posted to proper funds	Yes	Finding No Longer Valid
2020-002	Noncompliance and Material Weakness Fund Balances, Reclassifications	No	Not Corrected Stated in report as Finding 2022-001
2020-003	ORC 5705.41(B) Expenditures exceed appropriations	No	Not Corrected Stated in report as Finding 2022-002
2020-004	Material Weakness Swimming Pool completeness	No	Not Corrected Stated in report as Finding 2022-003
2020-005	Material Weakness Segregation of Duties	Yes	Finding No Longer Valid
2020-006	Material Weakness Appropriations not posted correctly to UAN	No	Not Corrected Stated in report as Finding 2022-004
2020-007	ORC 5705.39 Appropriations exceed estimated resources	Yes	Finding No Longer Valid

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF DRESDEN

MUSKINGUM 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 12/19/2023

88 East Broad 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