



**VILLAGE OF WHARTON
 WYANDOT COUNTY
 DECEMBER 31, 2022 AND 2021**

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INDEPENDENT AUDITOR'S REPORT

Village of Wharton
Wyandot County
117 Sandusky Street East
Wharton, Ohio 43359

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 27, 2023

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

	General	Special Revenue	Total (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$20,840		\$20,840
Intergovernmental	11,229	\$46,218	57,447
Fines, Licenses and Permits	3,178		3,178
Earnings on Investments	128		128
Miscellaneous	52,223		52,223
<i>Total Cash Receipts</i>	<u>87,598</u>	<u>46,218</u>	<u>133,816</u>
Cash Disbursements			
Current:			
Security of Persons and Property	4,255		4,255
Public Health Services	7,503		7,503
Transportation		934	934
General Government	77,895		77,895
Capital Outlay		17,500	17,500
Debt Service:			
Principal Retirement	7,500		7,500
<i>Total Cash Disbursements</i>	<u>97,153</u>	<u>18,434</u>	<u>115,587</u>
<i>Net Change in Fund Cash Balances</i>	(9,555)	27,784	18,229
<i>Fund Cash Balances, January 1</i>	<u>86,001</u>	<u>187,013</u>	<u>273,014</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$76,446</u></u>	<u><u>\$214,797</u></u>	<u><u>\$291,243</u></u>

See accompanying notes to the financial statements.

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

	Enterprise
Operating Cash Receipts	
Charges for Services	\$300,071
Miscellaneous	434
	300,505
<i>Total Operating Cash Receipts</i>	<i>300,505</i>
Operating Cash Disbursements	
Personal Services	15,064
Contractual Services	207,699
Supplies and Materials	19,373
	242,136
<i>Total Operating Cash Disbursements</i>	<i>242,136</i>
<i>Operating Income</i>	<i>58,369</i>
Non-Operating Receipts (Disbursements)	
Earnings on Investments (proprietary funds only)	90
Principal Retirement	(49,019)
Other Financing Sources	1,673
Other Financing Uses	(23)
	(47,279)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(47,279)</i>
<i>Net Change in Fund Cash Balances</i>	<i>11,090</i>
<i>Fund Cash Balances, January 1</i>	<i>670,064</i>
<i>Fund Cash Balances, December 31</i>	<i>\$681,154</i>

See accompanying notes to the financial statements.

Village of Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Wharton, Wyandot County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides electric and sewer utilities, park operations. The Village contracts with the Wyandot County Sheriff's department to provide security of persons and property. The Wharton-Richland Township Fire Department provides fire protection services to the Village residents.

Jointly Governed Organization and Public Entity Risk Pool

The Village participates in a jointly governed organization and a public entity risk pool. Notes 7 and 11 to the financial statements provide 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 receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type 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 purpose provided it is expended or transferred according to the general laws of Ohio.

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

Cares Act Fund The Cares Act fund accounts for COVID-19 grant funds to be used for allowable costs.

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

Electricity Fund The Electricity fund receives charges for services from residents to cover the cost of providing this utility.

Village of Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(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 Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. The Village did not use the encumbrance method of accounting.

A summary of 2022 budgetary activity appears in Note 4.

Capital Assets

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

Fund Balance

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

Nonspendable The Village classifies assets as *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 Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

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 12.

Note 3 – Compliance

Contrary to Ohio law, the Village recorded a Cares Act receipt in the amount of \$17,774 within the General fund rather than in a separate special revenue fund.

In addition, contrary to Ohio law, the Village did not issue any purchase orders 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	\$80,300	\$87,598	\$7,298
Special Revenue	43,303	46,218	2,915
Enterprise	181,000	302,268	121,268
Total	\$304,603	\$436,084	\$131,481

Village of Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$165,603	\$97,153	\$68,450
Special Revenue	231,315	18,434	212,881
Enterprise	832,758	291,178	541,580
Total	\$1,229,676	\$406,765	\$822,911

Note 5 – Deposits

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 accounts are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$872,397
Certificates of deposit	100,000
Total deposits	\$972,397

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 no in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

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.

Public utilities are also taxed on personal and real property located within the Village.

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

Village of Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 7 – Risk Management

Risk Pool Membership

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

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

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

	<u>2022</u>
Cash and investments	\$42,310,794
Actuarial liabilities	\$15,724,479

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

All Village 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 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Note 9 – Postemployment Benefits

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

Village of Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

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 medical 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.

Note 10 – Debt

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

	Principal	Interest Rate
Ohio Water Development Authority Loan #5534	\$174,332	0%
Ohio Water Development Authority Loan #5667	144,601	1.50%
Ohio Public Works Commission Loan #CT40Q	5,073	0%
Total	\$324,006	

The Ohio Water Development Authority (OWDA) loans relate to a sewer plant expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved \$657,345 in loans to the Village for this project. The Village will repay OWDA loan #5667 in semiannual installments of \$4,598 including interest, over 30 years. The Village will repay OWDA loan #5534 in semiannual installments of \$10,896, over 20 years. Sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) interest-free loan relates to Sandusky Street improvements. The OPWC approved \$25,366 in a loan to the Village. The Village will repay the loan in semi-annual installments of \$1,268 over a period of 10 years.

Amortization

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

Year Ending December 31:	OWDA Loan #5534	OWDA Loan #5667	OPWC Loan #CT40Q
2023	\$10,896	\$4,598	\$2,537
2024	21,792	9,197	2,536
2025	21,792	9,197	
2026	21,792	9,197	
2027	21,792	9,197	
2028-2032	76,268	45,983	
2033-2037		45,983	
2038-2041		32,188	
Total	\$174,332	\$165,540	\$5,073

Village of Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 11 – Jointly Governed Organizations

Wharton-Richland Union Cemetery is a jointly governed organization. This Board is composed of both village council members and township trustees. All banking and financial paperwork is done separately.

Note 12 – Fund Balances

The fund balances of Special Revenue funds are restricted.

Note 13 – Miscellaneous Receipts

Miscellaneous receipts within the General fund consist largely of farm rent, non-governmental grants and reimbursements.

Village of Wharton
Wyandot County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$20,825		\$20,825
Intergovernmental	11,158	\$47,836	58,994
Fines, Licenses and Permits	3,295		3,295
Earnings on Investments	69	13	82
Miscellaneous	6,587		6,587
<i>Total Cash Receipts</i>	<u>41,934</u>	<u>47,849</u>	<u>89,783</u>
Cash Disbursements			
Current:			
Security of Persons and Property	599		599
Public Health Services	3,966		3,966
Transportation		8,195	8,195
General Government	42,588		42,588
Capital Outlay		17,500	17,500
Debt Service:			
Principal Retirement	3,250		3,250
<i>Total Cash Disbursements</i>	<u>50,403</u>	<u>25,695</u>	<u>76,098</u>
<i>Net Change in Fund Cash Balances</i>	(8,469)	22,154	13,685
<i>Fund Cash Balances, January 1</i>	<u>94,470</u>	<u>164,859</u>	<u>259,329</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$86,001</u></u>	<u><u>\$187,013</u></u>	<u><u>\$273,014</u></u>

See accompanying notes to the financial statements.

Village of Wharton
Wyandot County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2021

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$316,501
Operating Cash Disbursements	
Personal Services	12,312
Transportation	1,581
Contractual Services	203,593
Supplies and Materials	28,331
<i>Total Operating Cash Disbursements</i>	<i>245,817</i>
<i>Operating Income</i>	<i>70,684</i>
Non-Operating Receipts (Disbursements)	
Earnings on Investments (proprietary funds only)	130
Capital Outlay	(2,537)
Principal Retirement	(30,988)
Other Financing Sources	1,035
Other Financing Uses	(1,318)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(33,678)</i>
<i>Net Change in Fund Cash Balances</i>	<i>37,006</i>
<i>Fund Cash Balances, January 1</i>	<i>633,058</i>
<i>Fund Cash Balances, December 31</i>	<i>\$670,064</i>

See accompanying notes to the financial statements.

Village of Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Wharton, Wyandot County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides electric and sewer utilities, park operations. The Village contracts with the Wyandot County Sheriff's department to provide security of persons and property. The Wharton-Richland Township Fire Department provides fire protection services to the Village residents.

Jointly Governed Organization and Public Entity Risk Pool

The Village participates in a jointly governed organization and a public entity risk pool. Notes 7 and 11 to the financial statements provide 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 receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type 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 purpose provided it is expended or transferred according to the general laws of Ohio.

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

Street Construction Maintenance and Repair The Street Construction Maintenance and Repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Cares Act Fund The Cares Act fund accounts for COVID-19 grant funds to be used for allowable costs.

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

Village of Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Electricity Fund The Electricity fund receives charges for services from residents to cover the cost of providing this utility.

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. The Village did not use the encumbrance method of accounting.

A summary of 2021 budgetary activity appears in Note 4.

Capital Assets

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

Fund Balance

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

Nonspendable The Village classifies assets as *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 Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

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 12.

Note 3 – Compliance

Contrary to Ohio law, appropriations exceeded estimated resources for the American Rescue Plan Act fund for the year ended December 31, 2021.

In addition, contrary to Ohio law, the Village did not issue any purchase orders for the year ended December 31, 2021.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$37,920	\$41,934	\$4,014
Special Revenue	29,000	47,849	18,849
Enterprise	261,000	317,666	56,666
Total	\$327,920	\$407,449	\$79,529

Village of Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$49,782	\$50,403	(\$621)
Special Revenue	32,703	25,695	7,008
Enterprise	414,000	280,660	133,340
Total	\$496,485	\$356,758	\$139,727

Note 5 – Deposits

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 accounts are as follows:

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$843,078
Certificates of deposit	100,000
Total deposits	\$943,078

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 no unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village;

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.

Public utilities are also taxed on personal and real property located within the Village.

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

Village of Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 7 – Risk Management

Risk Pool Membership

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

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

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

	2021
Cash and investments	\$41,996,850
Actuarial liabilities	\$14,974,099

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

All Village 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 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Note 9 – Postemployment Benefits

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

Village of Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 10 – Debt

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan #5534	\$ 207,020	0%
Ohio Water Development Authority Loan #5667	154,986	1.5%
Ohio Public Works Commission Loan #CT40Q	8,878	0%
Wharton-Richland Union Cemetery	7,500	0%
Total	\$ 378,384	

The Ohio Water Development Authority (OWDA) loans relate to a sewer plant expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved \$657,345 in loans to the Village for this project. The Village will repay OWDA loan #5667 in semiannual installments of \$4,598 including interest, over 30 years. The Village will repay OWDA loan #5534 in semiannual installments of \$10,896, over 20 years. Sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) interest-free loan relates to Sandusky Street improvements. The OPWC approved \$25,366 in a loan to the Village. The Village will repay the loan in semi-annual installments of \$1,268 over a period of 10 years.

The Wharton-Richland Union Cemetery loan relates to general operation funding for the Village in prior years. The original loan amount was \$10,750 to be repaid in annual installments of \$750 over 10 years from the General fund.

Amortization

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

Year Ending December 31:	OWDA Loan #5534	OWDA Loan #5667	OPWC Loan #CT40Q	Wharton- Richland Union Cemetery Loan
2022	\$21,792	\$9,197	\$2,537	\$750
2023	21,792	9,197	2,537	750
2024	21,792	9,197	2,536	750
2025	21,792	9,197	1,268	750
2026	21,792	9,197		750
2027-2031	98,060	45,982		3,750
2032-2036		45,982		
2037-2041		41,385		
Total	\$207,020	\$179,334	\$8,878	\$7,500

Village of Wharton
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 11 – Jointly Governed Organizations

Wharton Richland Union Cemetery is a jointly governed organization. This Board is composed of both village council members and township trustees. All banking and financial paperwork is done separately.

Note 12 – Fund Balances

The fund balances of Special Revenue funds are restricted.

Note 13 – Miscellaneous Receipts

Miscellaneous receipts within the General fund consist largely of farm rent and reimbursements.

OHIO AUDITOR OF STATE KEITH FABER



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

Village of Wharton
Wyandot County
117 Sandusky Street East
Wharton, Ohio 43359

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Wharton, Wyandot County, Ohio (the Village) and have issued our report thereon dated September 27, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001, 2022-002 and 2022-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2022-003 through 2022-005.

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

September 27, 2023

**VILLAGE OF WHARTON
WYANDOT COUNTY**

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

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

Material Weakness

Financial Reporting

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

The following errors were identified in the accompanying financial statements:

- Principal payments in the amount of \$7,500 and \$3,250 within the General Fund were improperly recorded as general government disbursements in 2022 and 2021, respectively.
- Kilowatt-Hour tax receipts in the amount of \$10,048 and \$9,113 within the General fund were improperly recorded as intergovernmental receipts rather than as property and other local taxes receipts in 2022 and 2021, respectively.
- Miscellaneous receipts in the amount of \$20,000 within the General fund were improperly recorded as intergovernmental receipts in 2022.
- Fines, Licenses and Permits receipts in the amount of \$4,931 within the General fund were improperly recorded as Property taxes in 2021.

These errors were the result of inadequate policies and procedures in reviewing the financial statements and notes to the financial statements. Failure to complete accurate financial statements and notes to the financial statements could lead to the Council making misinformed decisions. The accompanying financial statements have been adjusted to correct these and other errors. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$6 to \$3,552 that we have brought to the Village's attention.

The Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Council and its administrative / fiscal agent to help identify and correct errors and omissions.

FINDING NUMBER 2022-002

Material Weakness

Budgetary Amounts Not Recorded in Accounting System

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

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

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

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

Budgetary amounts were not input into the Village's accounting system in the correct amounts, causing the following errors in the Village's Budgetary Activity notes to the financial statements:

- Budgeted Receipts used in the Budgetary Activity notes to the financial statements did not agree to the certificates of estimated resources in the following amounts:
 - 2022 General fund budgeted receipts were overstated by \$19,700
 - 2022 Special Revenue fund budgeted receipts were understated by \$18,303
 - 2021 General fund budgeted receipts were understated \$7,260
 - 2021 Special Revenue fund budgeted receipts were overstated \$40,704
 - 2021 Enterprise fund budgeted receipts were overstated \$35,130
- Appropriation Authority used in the Budgetary Activity notes to the financial statements did not agree to amounts approved by Village Council in the following amounts:
 - 2022 Enterprise fund appropriation authority was overstated by \$20,083
 - 2021 Special Revenue fund appropriation authority was overstated by \$17,703

In addition to the adjustments noted above, we also identified additional misstatements ranging from \$500 to \$1,000 that we have brought to the Village's attention. The Budgetary Activity notes to the financial statements have been adjusted to correct these errors.

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations approved by Council were not posted accurately to the accounting system for the Cares Act and Utilities Deposit Funds in 2021 and the General, Sewer and Electric Funds in 2022. Additionally, no budgeted receipt amounts were posted to the accounting system in 2022. In 2021, the budgeted revenue amounts were not posted correctly for all funds.

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

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

FINDING NUMBER 2022-003

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.10(D) provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

In 2022, the Village inappropriately recorded \$17,774 of American Rescue Plan Act (ARPA) revenue in the General Fund. Given the source of the revenue, this should have been recorded in a separate special revenue fund to separately account for ARPA monies.

This error was the result of inadequate policies and procedures over the receipt posting process. In addition to the adjustment noted above, we also identified additional misstatements ranging from \$616 to \$1,507 that we have brought to the Village's attention. Audit adjustments are reflected in the financial statements and in the accounting records correcting these misstatements. The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities.

The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

FINDING NUMBER 2022-004

Noncompliance

Ohio Rev. Code § 5705.38(A) requires on or about the first day of each fiscal year, an appropriation measure be passed. The Village may pass a temporary appropriation measure to meet their ordinary expenses until April 1st, at which time a permanent appropriation measure must be passed.

Ohio Rev. Code § 5705.36(A)(3) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be greater than the amount included in an official certificate and the legislative authority intends to appropriate and expend the excess revenue, the fiscal officer shall certify the amount of the excess to the commission, and if the commission determines that the fiscal officer's certification is reasonable, the commission shall certify an amended official certificate reflecting the excess.

The Fiscal Officer did not certify the amount of excess revenue to the County Budget Commission when the Village received and expended ARPA monies in December 2021. This was not detected by the Village due to deficiencies in the budgetary compliance and monitoring control policies and procedures. Failure to certify the amount of excess revenue to the County Budget Commission and obtain the required amended certificate of estimated resources can lead to improper budgeting and limits the effectiveness of management monitoring.

Additionally, due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village's appropriation resolution for 2021 was not approved and in place until January 18, 2021 and there were no temporary appropriations approved to start the fiscal year. Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Village should adopt a temporarily appropriation measure prior to the start of the fiscal year if a permanent appropriation measure is not approved by the start of the fiscal year. The Village Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations.

FINDING NUMBER 2022-005

Noncompliance

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required meet the obligation or, the case of continuing contract to be performed in whole or in part in an ensuing fiscal year, the amount required to meet the obligation in the fiscal year in which the contract is made 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. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Ohio Rev. Code §§ 5705.41(D)(1) and 5705.41(D)(3), respectively.

1. "Then and Now" certificate – If the chief fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, Council can authorize the drawing of a warrant for the payment of the amount due. Council has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions or taxing units may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificate – The auditor or fiscal officer may prepare "blanket" certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Council may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to deficiencies in internal controls, 100% of the transactions tested were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

Officials' Response:

We did not receive a response from Officials to these findings.

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 DECEMBER 31, 2022 AND 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Finding was first reported in the audit of the 2005-2006 financial statements. Material weakness due to errors in financial statement preparation.	Not corrected. Repeated in this report as finding 2022-001.	Finding reoccurred as a result of inadequate policies and procedures in reviewing the financial statements and accompanying notes prior to filing the Village's annual reports. The Fiscal Officer will ensure these are accounted for correctly in the future.
2020-002	Material weakness due to budgetary amounts not being recorded in accounting system correctly.	Not corrected. Repeated in this report as finding 2022-002.	Finding occurred as a result of inadequate policies and procedures in reviewing the financial statements and accompanying notes prior to filing the Village's annual reports. The Fiscal Officer will ensure these are accounted for correctly in the future.
2020-003	Finding was first reported in the audit of the 2017-2018 financial statements. Noncompliance with Ohio Rev. Code § 5705.38(A) and § 5705.41(B) due to failure to approve annual permanent appropriations.	Partially corrected. Repeated in this report as finding 2022-004.	The Village approved annual permanent appropriations. The finding partially reoccurred as appropriations were not approved by the start of fiscal year 2021. Additionally, ARPA amounts were not certified to the County Budget Commission. The Village will work on establishing internal policies and procedures to ensure proper appropriations are approved.
2020-004	Finding was first reported in the audit of the 2017-2018 financial statements. Noncompliance with Ohio Rev. Code §5705.36(A)(1) due to not obtaining certificates of estimated resources.	Fully corrected.	
2020-005	Finding was first reported in the audit of the 1997-1998 financial statements. Noncompliance with Ohio Rev. Code §5705.41(D)(1) due to failure to utilize purchase orders.	Not corrected. Repeated in this report as finding 2022-05.	Finding reoccurred as a result of inadequate policies and procedures in the disbursement cycle. The Fiscal Officer will review Ohio Rev. Code and educate herself on purchase orders to ensure they are properly utilized moving forward.

Village of Wharton
 Wyandot County
 Summary Schedule of Prior Audit Findings
 Page 2

2020-006	Noncompliance and material weakness with Ohio Rev. Code § 5735.28 due to failing to establish a State Highway Fund.	Fully corrected.	
2020-007	Noncompliance and material weakness with Ohio Rev. Code § 5727.81(A) and Ohio Rev. Code § 5727.81(E) due to failing to record kilowatt-hour tax receipts in the General fund.	Fully corrected.	
2020-008	Finding for recovery due to fees and penalties paid.	Fully repaid.	

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WHARTON

WYANDOT 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 10/17/2023

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