
ALGER & ASSOCIATES, Inc.



PROFESSIONAL FINANCIAL AND COMPLIANCE AUDIT SERVICES

VILLAGE OF WELLSVILLE

COLUMBIANA COUNTY

A&A
REGULAR AUDIT

For the Years Ended

December 31, 2019 and 2018

6927 Burgundy Ave NW
North Canton, OH 44720
Phone (330) 353-5851
Fax (330) 768-7574

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Village Council
Village of Wellsville
1200 Main Street
Wellsville, Ohio 43968

We have reviewed the *Independent Auditor's Report* of the Village of Wellsville, Columbiana County, prepared by Alger & Associates, Inc., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is currently conducting an investigation at the Village. The investigation is ongoing and control or compliance issues, if any, related to this investigation will be addressed in future audit reports.

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 Wellsville 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

March 26, 2020

VILLAGE OF WELLSVILLE
COLUMBIANA COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|--|-------------|
| Independent Auditor's Report | 1 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2019 | 3 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2019 | 4 |
| 2019 Notes to the Financial Statements | 5 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2018 | 15 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2018 | 16 |
| 2018 Notes to the Financial Statements | 17 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 27 |
| Schedule of Audit Findings | 29 |
| Village's Response to Findings | 33 |
| Schedule of Prior Audit Findings | 35 |

This page intentionally left blank



ALGER & ASSOCIATES, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Village of Wellsville
Columbiana County
1200 Main Street
Wellsville, OH 43968

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Wellsville, Columbiana County, Ohio (the Village) as of and for the years ended December 31, 2019 and December 31, 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2019 and December 31, 2018, and the respective changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Wellsville, Columbiana County as of December 31, 2019 and December 31, 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 11 to the 2019 financial statements footnotes and Note 12 to the 2018 financial statements footnotes, on November 15, 2016, the Auditor of State declared the Village of Wellsville to be in a state of fiscal emergency, in accordance with Section 118.03 of the Ohio Revised Code. However subsequently, as described in Note 12 to the 2019 financial statements, on January 16, 2020, the Village requested from the Financial Planning and Supervision Commission to be released from Fiscal Emergency.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2020, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.

Karen S
Alger, CPA

Digitally signed by Karen S Alger,
CPA
DN: cn=Karen S Alger, CPA, o=Alger
& Associates, Inc, ou,
email=ksalger46@att.net, c=US
Date: 2020.02.28 15:27:15 -05'00'

Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

February 14, 2020

Village of Wellsville, Ohio
Columbiana County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Governmental Fund Types
For the Year Ended December 31, 2019

| | General | Special Revenue | Capital Projects | Permanent | Totals (Memorandum Only) |
|---|-------------------|--------------------|---------------------|------------------|--------------------------------|
| Cash Receipts | | | | | |
| Property and Other Local Taxes | \$ 85,245 | \$ 312,055 | \$ - | \$ - | \$ 397,300 |
| Municipal Income Tax | 532,270 | 197,623 | - | - | 729,893 |
| Intergovernmental | 68,745 | 254,810 | - | - | 323,555 |
| Charges for Services | 36,643 | 43,070 | - | - | 79,713 |
| Fines, Licenses and Permits | 159,493 | 6,657 | - | - | 166,150 |
| Earnings on Investments | 4,522 | 716 | - | - | 5,238 |
| Miscellaneous | 45,596 | 138,991 | - | - | 184,587 |
| <i>Total Cash Receipts</i> | <u>932,514</u> | <u>953,922</u> | <u>-</u> | <u>-</u> | <u>1,886,436</u> |
| Cash Disbursements | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 453,305 | 469,328 | - | - | 922,633 |
| Public Health Services | - | 83,589 | - | - | 83,589 |
| Leisure Time Activities | 2,494 | - | - | - | 2,494 |
| Community Environment | - | 9,396 | - | - | 9,396 |
| Transportation | - | 274,994 | - | - | 274,994 |
| General Government | 364,680 | 5,790 | - | - | 370,470 |
| Capital Outlay | - | 82,575 | 41,599 | - | 124,174 |
| Debt Service: | | | | | |
| Principal Retirement | - | 4,845 | - | - | 4,845 |
| Interest and Fiscal Charges | - | 150 | - | - | 150 |
| <i>Total Cash Disbursements</i> | <u>820,479</u> | <u>930,667</u> | <u>41,599</u> | <u>-</u> | <u>1,792,745</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>112,035</u> | <u>23,255</u> | <u>(41,599)</u> | <u>-</u> | <u>93,691</u> |
| Other Financing Receipts (Disbursements) | | | | | |
| Sale of Capital Assets | - | - | - | - | - |
| Transfers In | 140,751 | - | 42,292 | - | 183,043 |
| Transfers Out | (42,292) | - | (140,751) | - | (183,043) |
| Advances In | 8,000 | 16,000 | - | - | 24,000 |
| Advances Out | (16,000) | (8,000) | - | - | (24,000) |
| Other Financing Sources | - | 3,213 | - | - | 3,213 |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>90,459</u> | <u>11,213</u> | <u>(98,459)</u> | <u>-</u> | <u>3,213</u> |
| <i>Net Change in Fund Cash Balances</i> | 202,494 | 34,468 | (140,058) | - | 96,904 |
| <i>Fund Cash Balances, January 1</i> | <u>34,809</u> | <u>285,762</u> | <u>147,299</u> | <u>40,105</u> | <u>507,975</u> |
| Fund Cash Balances, December 31 | | | | | |
| Nonspendable | - | - | - | 40,105 | 40,105 |
| Restricted | - | 320,230 | 7,241 | - | 327,471 |
| Assigned | 12,087 | - | - | - | 12,087 |
| Unassigned (Deficit) | <u>225,216</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>225,216</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 237,303</u> | <u>\$ 320,230</u> | <u>\$ 7,241</u> | <u>\$ 40,105</u> | <u>\$ 604,879</u> |

See accompanying notes to the basic financial statements

Village of Wellsville, Ohio
Columbiana County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2019

| | Proprietary Fund Type | Fiduciary Fund Types | Totals |
|---|--------------------------|-------------------------|----------------------|
| | Enterprise | Agency | (Memorandum Only) |
| Operating Cash Receipts | | | |
| Charges for Services | \$ 572,534 | \$ - | \$ 572,534 |
| Fines, Licenses and Permits | - | 40,856 | 40,856 |
| <i>Total Operating Cash Receipts</i> | <u>572,534</u> | <u>40,856</u> | <u>613,390</u> |
| Operating Cash Disbursements | | | |
| Personal Services | 36,063 | - | 36,063 |
| Employee Fringe Benefits | 7,493 | - | 7,493 |
| Contractual Services | 467,304 | - | 467,304 |
| Supplies and Materials | 55,899 | - | 55,899 |
| Other | 2,156 | 38,789 | 40,945 |
| <i>Total Operating Cash Disbursements</i> | <u>568,915</u> | <u>38,789</u> | <u>607,704</u> |
| <i>Operating Income (Loss)</i> | <u>3,619</u> | <u>2,067</u> | <u>5,686</u> |
| Non-Operating Receipts (Disbursements) | | | |
| Intergovernmental | 67,089 | - | 67,089 |
| Miscellaneous Receipts | 10,004 | - | 10,004 |
| Capital Outlay | (1,800) | - | (1,800) |
| Principal Retirement | (26,320) | - | (26,320) |
| Interest and Other Fiscal Charges | (348) | - | (348) |
| <i>Total Non-Operating Receipts (Disbursements)</i> | 48,625 | - | 48,625 |
| <i>Net Change in Fund Cash Balances</i> | 52,244 | 2,067 | 54,311 |
| <i>Fund Cash Balances, January 1</i> | <u>530,948</u> | <u>8,584</u> | <u>539,532</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 583,192</u> | <u>\$ 10,651</u> | <u>\$ 593,843</u> |

See accompanying notes to the basic financial statements

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The Village of Wellsville (the Village), Columbiana County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services and fire services. The Village has a property tax levy to support a volunteer fire department.

On November 15, 2016, the Auditor of State's office declared the Village of Wellsville to be in a state of fiscal emergency in accordance with Section 118.03, Ohio Revised Code. The declaration resulted in the establishment of a Financial Planning and Supervision Commission. The Commission is comprised of the Mayor of the Village, Council President, three financial consultants from various corporations and/or organizations within the Village and two representatives from the State of Ohio. The Village has 120 days after the first meeting of the Commission to approve a financial recovery plan. Once the plan has been adopted, the Village's discretion is limited in that all financial activity of the Village must be in accordance with the plan.

Public Entity Risk Pool

The Village participates in Public Entities Pool of Ohio (PEP), a risk-sharing pool. Note 6 to the financial statements provide additional information for the risk sharing pool. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Street Construction Maintenance and Repair 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.

Fire Levy Fund The fire levy fund accounts for and reports property taxes restricted for fire protection.

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies *(continued)*

Police Income Tax Levy Fund This income tax levy fund accounts for and reports income tax restricted for police protection.

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

Capital Improvement Fund The capital improvement fund accounts for and reports income taxes for various capital improvement projects throughout the Village.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent fund:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Village's cemetery.

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:

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds accounts for unclaimed monies and magistrate court activities.

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 (D). 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 (D) permit.

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 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 level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

A summary of 2019 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Village had no investments during the year or at year-end.

Capital Assets

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

Accumulated Leave

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

Fund Balance

Fund 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.

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

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*. Governmental funds other than the 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 resolution, or by State Statute.

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

| 2019 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$988,335 | \$1,073,265 | \$84,930 |
| Special Revenue | 893,418 | 957,135 | 63,717 |
| Capital Projects | 42,292 | 42,292 | 0 |
| Enterprise | 1,013,119 | 649,627 | (363,492) |
| Total | \$2,937,164 | \$2,722,319 | (\$214,845) |

THIS SECTION INTENTIONALLY LEFT BLANK

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 – Budgetary Activity *(continued)*

| 2019 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$931,689 | \$875,160 | \$56,529 |
| Special Revenue | 988,785 | 956,503 | 32,282 |
| Debt Service | | | 0 |
| Capital Projects | 183,042 | 182,350 | 692 |
| Enterprise | 1,053,233 | 601,104 | 452,129 |
| Total | \$3,156,749 | \$2,615,117 | \$541,632 |

Note 4 – Deposits and Investments

The Village maintains a deposits and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

| | |
|--|--------------------|
| | 2019 |
| Demand deposits | \$957,512 |
| Certificates of deposit | 108,724 |
| Other time deposits (savings and NOW accounts) | 132,486 |
| Total deposits and investments | \$1,198,722 |

Deposits

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

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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 Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 5 – Taxes *(continued)*

Income Taxes

The Village levies a municipal income tax of one and one half 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, permitting a fifty percent credit up to the tax limit of one and one-half percent for those working outside the Village of Wellsville.

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.

Note 6 – Risk Management

Risk Pool Membership

The (local entity) 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 (local entity'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>2019</u> |
|-----------------------|---------------|
| Cash and investments | \$ 35,381,789 |
| Actuarial liabilities | \$12,965,015 |

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village's 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 ten percent of their gross salaries, and the Village contributed an amount equaling fourteen percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 7 – Defined Benefit Pension Plans *(continued)*

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages and 24% of full-time fire fighters' wages, respectively. The Village has paid all contributions required through December 31, 2019.

Social Security

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, 2019.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. 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.

THIS SECTION INTENTIONALLY LEFT BLANK

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt

Debt outstanding at December 31, 2019, was as follows:

| | Beginning Balance | Issued | Payments | Ending Balance |
|--|----------------------|------------|-------------------|-------------------|
| Ohio Public Works | \$157,306 | \$0 | (\$17,594) | \$139,712 |
| Kansas State Bank | 7,269 | 0 | (7,269) | 0 |
| Ohio Water Development Authority Loan | 28,859 | 0 | (6,302) | 22,557 |
| Totals | \$193,434 | \$0 | (\$31,165) | \$162,269 |

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$1,411,000 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$52,974, including interest, over 20 years. The scheduled payment amount below assumes that \$1,411,000 will be borrowed. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The Village issued general obligation bonds to finance the purchase of a new dump truck and plowing equipment for Village road maintenance.

The Village's taxing authority collateralized the bonds.

Amortization

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

| Year ending December 31: | OPWC Loans | OWDA Loans | |
|-----------------------------|------------------|-----------------|--------------|
| | Principal | Principal | Interest |
| 2020 | \$17,595 | \$6,365 | \$210 |
| 2021 | 17,595 | 6,429 | 145 |
| 2022 | 11,316 | 6,493 | 81 |
| 2023 | 5,038 | 3,270 | 17 |
| 2024 | 5,038 | 0 | 0 |
| 2024-2029 | 25,191 | 0 | 0 |
| 2030-2034 | 25,191 | 0 | 0 |
| 2035-2039 | 25,191 | 0 | 0 |
| 2040-2041 | 7,557 | 0 | 0 |
| Total | \$139,712 | \$22,557 | \$453 |

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 – 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.

Note 11 – Fiscal Emergency

The Auditor of State's office placed the Village in fiscal emergency on November 15, 2016 in accordance with Section 118.03, Ohio Revised Code. The declaration resulted in the establishment of a financial planning and supervision commission. The Commission is comprised of a representative of the Office of Budget and Management, a representative of the Treasurer of State, the Village Mayor, the President of Village Council, and three individuals appointed by the Governor who are residents of the Village and meet certain criteria.

In accordance with Section 118.06 of the Ohio Revised Code, the Village is required to submit to the Commission a financial recovery plan for the Village which outlines the measures to be taken to eliminate the fiscal emergency conditions. The Village adopted its initial financial recovery plan on August 30, 2017.

A Village is placed into fiscal emergency when any one of six conditions is present. For the Village of Wellsville, one of the six conditions were present at the date of the Auditor of State's determination. The condition present in the Village was deficit fund balances. Under Section 118.03(A)(5) of the Revised Code, the aggregate sum of all deficit funds at the end of the preceding fiscal year, less any transferable balance in the general fund and in any special revenue fund that exceed one-sixth of the general fund budget and the receipts of the deficit funds is a fiscal emergency condition. As of December 31, 2015, the Village had deficit fund balances in the following funds: general fund, state highway fund, cemetery fund, fire levy fund, police salary levy fund and the fire '03 fund. The Auditor of State's calculation determined the total unprovided portion of aggregate deficit funds was \$93,021 for the year ended December 31, 2016.

Note 12 – Subsequent Events

The Village ended 2019 with all positive fund balances. On January 16, 2020, the Village requested from the Financial Planning and Supervision Commission to be released from Fiscal Emergency (Resolution Number 2020-01). The Village updated its annual recovery plan for 2019 in which the Village corrected and eliminated all the fiscal emergency conditions determined pursuant to section 118.04 of the Revised Code, including presenting a positive five-year financial forecast in accordance with the standards issued by the Auditor of State and in accordance with section 118.10 of the Revised Code. The Village has implemented an effective financial accounting and reporting system and corrected any deficiencies identified by the Auditor of State in its report on Accounting Methods dated December 12, 2017.

Note 13 - Interfund Balances

Transfers

Village of Wellsville petitioned and received approval through the Columbiana County Court of Common Pleas to transfer funds from the Capital Improvement Fund to the General Fund on March 11, 2019 in the amount of \$140,751.

This page intentionally left blank

Village of Wellsville, Ohio
Columbiana County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Governmental Fund Types
For the Year Ended December 31, 2018

| | General | Special Revenue | Capital Projects | Permanent | Totals (Memorandum Only) |
|---|------------------|--------------------|---------------------|------------------|--------------------------------|
| Cash Receipts | | | | | |
| Property and Other Local Taxes | \$ 83,363 | \$ 304,765 | \$ - | \$ - | \$ 388,128 |
| Municipal Income Tax | 499,052 | 125,789 | 4,000 | - | 628,841 |
| Intergovernmental | 59,682 | 238,685 | - | - | 298,367 |
| Charges for Services | 38,890 | 48,985 | - | - | 87,875 |
| Fines, Licenses and Permits | 145,221 | 9,063 | - | - | 154,284 |
| Earnings on Investments | 4,148 | 557 | - | - | 4,705 |
| Miscellaneous | 124,655 | 56,791 | - | - | 181,446 |
| <i>Total Cash Receipts</i> | <u>955,011</u> | <u>784,635</u> | <u>4,000</u> | <u>-</u> | <u>1,743,646</u> |
| Cash Disbursements | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 438,116 | 413,915 | - | - | 852,031 |
| Public Health Services | - | 59,075 | - | - | 59,075 |
| Leisure Time Activities | 3,018 | - | - | - | 3,018 |
| Community Environment | - | 13,732 | - | - | 13,732 |
| Transportation | - | 162,459 | - | - | 162,459 |
| General Government | 387,795 | 6,415 | - | - | 394,210 |
| Capital Outlay | - | 5,523 | - | - | 5,523 |
| Debt Service: | | | | | |
| Principal Retirement | - | 1,611 | - | - | 1,611 |
| Interest and Fiscal Charges | - | 339 | - | - | 339 |
| <i>Total Cash Disbursements</i> | <u>828,929</u> | <u>663,069</u> | <u>-</u> | <u>-</u> | <u>1,491,998</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>126,082</u> | <u>121,566</u> | <u>4,000</u> | <u>-</u> | <u>251,648</u> |
| Other Financing Receipts (Disbursements) | | | | | |
| Sale of Capital Assets | - | - | 143,151 | - | 143,151 |
| Transfers In | 140,638 | - | - | - | 140,638 |
| Transfers Out | - | - | (140,638) | - | (140,638) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>140,638</u> | <u>-</u> | <u>2,513</u> | <u>-</u> | <u>143,151</u> |
| <i>Net Change in Fund Cash Balances</i> | <u>266,720</u> | <u>121,566</u> | <u>6,513</u> | <u>-</u> | <u>394,799</u> |
| <i>Fund Cash Balances, January 1</i> | <u>(231,911)</u> | <u>164,196</u> | <u>140,786</u> | <u>40,105</u> | <u>113,176</u> |
| Fund Cash Balances, December 31 | | | | | |
| Nonspendable | - | - | - | 40,105 | 40,105 |
| Restricted | - | 285,762 | 147,299 | - | 433,061 |
| Assigned | 13,471 | - | - | - | 13,471 |
| Unassigned (Deficit) | 21,338 | - | - | - | 21,338 |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 34,809</u> | <u>\$ 285,762</u> | <u>\$ 147,299</u> | <u>\$ 40,105</u> | <u>\$ 507,975</u> |

See accompanying notes to the basic financial statements

Village of Wellsville, Ohio
Columbiana County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2018

| | Proprietary Fund Type | Fiduciary Fund Types | Totals |
|---|--------------------------|-------------------------|----------------------|
| | Enterprise | Agency | (Memorandum Only) |
| Operating Cash Receipts | | | |
| Charges for Services | \$ 603,757 | \$ - | \$ 603,757 |
| Fines, Licenses and Permits | - | 56,884 | 56,884 |
| <i>Total Operating Cash Receipts</i> | <u>603,757</u> | <u>56,884</u> | <u>660,641</u> |
| Operating Cash Disbursements | | | |
| Personal Services | 30,355 | - | 30,355 |
| Employee Fringe Benefits | 8,746 | - | 8,746 |
| Contractual Services | 415,806 | - | 415,806 |
| Supplies and Materials | 71,852 | - | 71,852 |
| Other | 1,991 | 57,045 | 59,036 |
| <i>Total Operating Cash Disbursements</i> | <u>528,750</u> | <u>57,045</u> | <u>585,795</u> |
| <i>Operating Income (Loss)</i> | <u>75,007</u> | <u>(161)</u> | <u>74,846</u> |
| Non-Operating Receipts (Disbursements) | | | |
| Intergovernmental | 30,602 | - | 30,602 |
| Miscellaneous Receipts | 2,152 | - | 2,152 |
| Capital Outlay | - | - | - |
| Principal Retirement | (86,054) | - | (86,054) |
| Interest and Other Fiscal Charges | (1,378) | - | (1,378) |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <u>(54,678)</u> | <u>-</u> | <u>(54,678)</u> |
| <i>Net Change in Fund Cash Balances</i> | 20,329 | (161) | 20,168 |
| <i>Fund Cash Balances, January 1</i> | <u>510,619</u> | <u>8,745</u> | <u>519,364</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 530,948</u> | <u>\$ 8,584</u> | <u>\$ 539,532</u> |

See accompanying notes to the basic financial statements

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The Village of Wellsville (the Village), Columbiana County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities, park operations, and police and fire services. The Village has a property tax levy to support a volunteer fire department.]

On November 15, 2016, the Auditor of State's office declared the Village of Wellsville to be in a state of fiscal emergency in accordance with Section 118.03, Ohio Revised Code. The declaration resulted in the establishment of a Financial Planning and Supervision Commission. The Commission is comprised of the Mayor of the Village, Council President, three financial consultants from various corporations and/or organizations within the Village and two representatives from the State of Ohio. The Village has 120 days after the first meeting of the Commission to approve a financial recovery plan. Once the plan has been adopted, the Village's discretion is limited in that all financial activity of the Village must be in accordance with the plan.

Public Entity Risk Pool

The Village participates in Public Entities Pool of Ohio (PEP), a risk-sharing pool. Note 7 to the financial statements provide additional information for the risk sharing pool. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Street Construction Maintenance and Repair 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.

Fire Levy Fund The fire levy fund accounts for and reports property taxes restricted for fire protection.

Police Income Tax Levy Fund This income tax levy fund accounts for and reports income tax restricted for police protection.

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies *(continued)*

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

Capital Improvement Fund The capital improvement fund accounts for and reports income taxes for various capital improvement projects throughout the Village.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent fund:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Village's cemetery.

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:

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds accounts for unclaimed monies and magistrate court activities.

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 (D). 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 (D) permit.

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 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 level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

A summary of 2018 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Village had no investments during the year or at year-end.

Capital Assets

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

Accumulated Leave

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

Fund Balance

Fund 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.

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

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*. Governmental funds other than the 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 resolution, or by State Statute.

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

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

Note 3 - Compliance

The Police Donation fund, a Special Revenue fund type had expenditures plus encumbrances in excess of appropriations plus prior year encumbrances, contrary to Ohio Revised Code Section 5705.41(B) at December 31, 2018 by \$1,676.

The General fund had appropriations plus prior year encumbrances in excess of estimated resources, contrary to Ohio Revised Code Section 5705.39 at December 31, 2018 by \$9,230.

The Village did not establish, by resolution or ordinance, setting the amount of blanket purchase orders as required by Ohio Revised Code Section 5705.41(D).

Note 4 - Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

| 2018 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$1,080,651 | \$1,095,649 | \$14,998 |
| Special Revenue | 768,416 | 784,635 | 16,219 |
| Capital Projects | 147,151 | 147,151 | 0 |
| Enterprise | 641,021 | 636,511 | (4,510) |
| Total | \$2,637,239 | \$2,663,946 | \$26,707 |

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 4 - Budgetary Activity *(continued)*

| 2018 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$857,970 | \$842,400 | \$15,570 |
| Special Revenue | 736,860 | 678,866 | 57,994 |
| Debt Service | | | 0 |
| Capital Projects | 140,638 | 140,638 | 0 |
| Enterprise | 623,598 | 618,473 | 5,125 |
| Total | \$2,359,066 | \$2,280,377 | \$78,689 |

Note 5 – Deposits and Investments

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

| | |
|--|-------------|
| | 2018 |
| Demand deposits | \$808,896 |
| Certificates of deposit | 106,064 |
| Other time deposits (savings and NOW accounts) | 132,547 |
| Total deposits and investments | \$1,047,507 |

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

At December 31, 2018, \$229,142 of the Village's total bank balance of \$1,059,186 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the Village's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

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.

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 6 – Taxes *(continued)*

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

Income Taxes

The Village levies a municipal income tax of one and one half 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, permitting a fifty percent credit up to the tax limit of one and one-half percent for those working outside the Village of Wellsville.

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.

Note 7 - Risk Management

Risk Pool Membership

The Government is exposed to various risks of property and casualty losses, and injuries to employees.

The Government insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Government belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess

Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 - Risk Management *(continued)*

Risk Pool Membership *(continued)*

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017.

| | <u>2017</u> |
|--------------|--------------|
| Assets | \$44,452,326 |
| Liabilities | (13,004,011) |
| Net Position | \$31,448,315 |

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Government's share of these unpaid claims collectible in future years is approximately 24,394.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

| |
|---|
| <u>2017 Contributions to PEP</u> |
| <u>\$ 38,720.00</u> |

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also, upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 8 - Defined Benefit Pension Plans *(continued)*

Ohio Police and Fire Retirement System

Some Village's certified Fire Fighters and 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.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages and 24% of full-time fire fighters' wages, respectively. The Village has paid all contributions required through December 31, 2018.

Social Security

Village's 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, 2018.

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

THIS SECTION INTENTIONALLY LEFT BLANK

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 10 – Debt

Debt outstanding at December 31, 2018 was as follows:

| | Beginning Balance | Issued | Payments | Ending Balance |
|--|----------------------|------------|-------------------|-------------------|
| Ohio Public Works | \$174,902 | \$0 | (\$17,596) | \$157,306 |
| Kansas State Bank | 14,319 | 0 | (7,050) | 7,269 |
| Ohio Water Development Authority Loan | 91,878 * | 0 | (63,019) | 28,859 |
| Totals | <u>\$281,099</u> | <u>\$0</u> | <u>(\$87,665)</u> | <u>\$193,434</u> |

* Beginning balance adjusted by \$300 to reflect correct outstanding balance on loan #3872 at 1/1/2018

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$1,411,000 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$64,293, including interest, over 20 years. The scheduled payment amount below assumes that \$1,411,000 will be borrowed. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The Village issued general obligation bonds to finance the purchase of a new dump truck and plowing equipment for Village road maintenance.

The Village's taxing authority collateralized the bonds.

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

| Year ending December 31: | OPWC Loans | OWDA Loans | | Kansas State Bank | |
|-----------------------------|------------------|-----------------|--------------|-------------------|--------------|
| | Principal | Principal | Interest | Principal | Interest |
| 2019 | \$17,595 | \$6,302 | \$273 | \$7,269 | \$225 |
| 2020 | 17,595 | 6,365 | 210 | 0 | 0 |
| 2021 | 17,595 | 6,429 | 145 | 0 | 0 |
| 2022 | 11,316 | 6,493 | 81 | 0 | 0 |
| 2023 | 5,038 | 3,271 | 17 | 0 | 0 |
| 2024-2028 | 25,191 | 0 | 0 | 0 | 0 |
| 2029-2033 | 25,191 | 0 | 0 | 0 | 0 |
| 2034-2038 | 25,191 | 0 | 0 | 0 | 0 |
| 2039-2043 | 12,595 | 0 | 0 | 0 | 0 |
| Total | <u>\$157,307</u> | <u>\$28,859</u> | <u>\$726</u> | <u>\$7,269</u> | <u>\$225</u> |

Village of Wellsville, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 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.

Note 12 – Fiscal Emergency

The Auditor of State's office placed the Village in fiscal emergency on November 15, 2016 in accordance with Section 118.03, Ohio Revised Code. The declaration resulted in the establishment of a financial planning and supervision commission. The Commission is comprised of a representative of the Office of Budget and Management, a representative of the Treasurer of State, the Village Mayor, the President of Village Council, and three individuals appointed by the Governor who are residents of the Village and meet certain criteria.

In accordance with Section 118.06 of the Ohio Revised Code, the Village is required to submit to the Commission a financial recovery plan for the Village which outlines the measures to be taken to eliminate the fiscal emergency conditions. The Village adopted its initial financial recovery plan on August 30, 2017.

A Village is placed into fiscal emergency when any one of six conditions is present. For the Village of Wellsville, one of the six conditions were present at the date of the Auditor of State's determination. The condition present in the Village was deficit fund balances. Under Section 118.03(A)(5) of the Revised Code, the aggregate sum of all deficit funds at the end of the preceding fiscal year, less any transferable balance in the general fund and in any special revenue fund that exceed one-sixth of the general fund budget and the receipts of the deficit funds is a fiscal emergency condition. As of December 31, 2015, the Village had deficit fund balances in the following funds: general fund, state highway fund, cemetery fund, fire levy fund, police salary levy fund and the fire '03 fund. The Auditor of State's calculation determined the total unprovided portion of aggregate deficit funds was \$93,021 for the year ended December 31, 2016.

Note 13 - Interfund Balances

Transfers

Village of Wellsville petitioned and received approval through the Columbiana County Court of Common Pleas to transfer funds from the Capital Improvement Fund to the General Fund on January 26, 2018 in the amount of \$140,638.



ALGER & ASSOCIATES, Inc.

Certified Public Accountants

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

Village of Wellsville
Columbiana County
1200 Main Street
Wellsville, OH 43968

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Wellsville, Columbiana , (the Village) as of and for the years ended December 31, 2018 and December 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated February 14, 2020 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. As discussed in Note 11 to the 2019 financial statements footnotes and Note 12 to the 2018 financial statements footnotes, on November 15, 2016, the Auditor of State declared the Village of Wellsville to be in a state of fiscal emergency. However subsequently, as described in Note 12 to the 2019 financial statements, on January 16, 2020, the Village requested from the Financial Planning and Supervision Commission to be released from Fiscal Emergency.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2019-001 and 2019-002 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Village's Response to Findings

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

**Karen S
Alger, CPA**

Digitally signed by Karen S Alger, CPA
DN: cn=Karen S Alger, CPA, o=Alger &
Associates, Inc, ou,
email=ksalger46@att.net, c=US
Date: 2020.02.28 15:26:10 -05'00'

Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

February 14, 2020

**VILLAGE OF WELLSVILLE
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 - 2019**

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

FINDING NUMBER 2019-001

Material Weakness

Payroll: Police Department

During our review of an officer within the Police department we noted the following:

- The officer shall be under the supervision and control of the Police Chief. During our testing of the timesheets for 2018 and part of 2019 we noted the Police Chief would approve the employee's time sheets, however, the employee never signed their own time sheets indicating they worked the hours noted. All other officers were required to utilize a time card.
- The officer also works another job during week – day time hours. Based on the time sheets we were unable to determine if the hours worked for the Village was actual hours the officer was working on Village duties.
- The Mayor has indicted the officer works the day shift for the Village and also works a second job during the day. The officer's time sheets only reflected the total hours worked for the pay period (80 hours) plus any overtime hours. They did not include the actual time the officer worked each day which would reflect the time they started and ended their shift. Overtime is based on a 40-hour work week and because the time sheet does not include sufficient information to determine if the employee worked the required forty hours on a specific week, we were unable to determine if the overtime was appropriate. Also, we were unable to determine if the officer was receiving pay from the Village while receiving pay from the second job for the same hours worked.
- Because of the lack of controls over payroll within the Police Department, in September 2019 the Mayor along with the Village's legal counsel instituted a time sheet for the employee to complete which would detail the time the employee started work and the time the employee ended work. During our testing of 5 pay periods in 2018, we noted the officer would only indicate, on the Village time sheet, 80 hours worked plus overtime (in some cases) with no time off (other than holidays). However, in 2019, after the Mayor instituted the new procedure, we noted when the employee was working the second job the employee would include time off on the Village time sheet. However, overtime went up during this period. During 2019 the employee was paid \$5,487.45 in overtime with \$3,102.86 paid when the time sheets procedure was implemented.

**VILLAGE OF WELLSVILLE
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 - 2019**

FINDING NUMBER 2019-001 *(continued)*

- When reviewing the scheduling logs, we noticed the employee was not included on the scheduling, however, all other employees were included except the Police Chief.
- When reviewing the ordinances for the Police Chief and the Lieutenant we were unable to determine if they were hourly and/or salary. In our discussions with their legal counsel they indicated based on how the ordinances were written they were both hourly and salary.
- Council appropriates each year the amount allotted for the Police Department along with the other Village departments. We noticed while the Village was in Fiscal Emergency the Police department continued to exceed their appropriations by \$20,000 during 2019. This was mainly due to overtime. The Police department increased overtime by 35.61% from 2018 to 2019 in the amount of \$31,602 in overtime pay for 2019 and \$23,304 in overtime pay for 2018 for a total of \$54,906 for both years.

Sound internal controls, such as proper monitoring and formal procedures, are pertinent to ensure that all financial transactions incurred are authorized, for a proper public purpose, and accounted for. The Police Chief and/or Mayor should consider implementing the following:

- The Mayor along with the Fiscal Officer should implement a policy regarding the procedures over the payroll process for the Police Department to ensure appropriate controls are in place and operating effectively.
- The Policy should clearly state their procedures for payroll and define what the Village considers to be an acceptable standard of attendance and outline consequences for noncompliance. This policy should also include procedures for authorizing and approving overtime.
- The Mayor and Council should monitor the payroll process including reviews of payroll reports.
- Sufficiently detailed employee time cards should be completed and signed by the relevant supervisor indicating approval of the employee's hours worked.
- The Police Chief should closely monitor the payroll process including reviews of payroll reports. All overtime should be documented thoroughly and pre-approved by the Police Chief prior to incurring the overtime.
- The Police Chief should monitor his monthly budget reports in which he should ensure the Police department payroll stays within the allotted appropriations. If the Police Chief finds his department is going to incur overtime due to unforeseen circumstances this should immediately be discussed with the Mayor. The resolution should be brought to Council's attention for further review and determination.
- The Police Chief should ensure the all officers is also included on the weekly schedule.
- Sufficiently detailed employee time cards (as approved by the Mayor) should be completed and signed by the relevant supervisor indicating approval of the employee's hours worked. When the employee does not utilize the time clock the employee should sign their time sheets indicating they worked the hours as documented.
- Timely evaluations should be performed for all employees and placed into their personnel files to assist in determination of wage or salary changes, promotions or demotions, terminations, or other employment actions.
- The Mayor should consider requiring the officer to utilize the time card clock when the officer is working on Village duties.

**VILLAGE OF WELLSVILLE
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 - 2019**

FINDING NUMBER 2019-001 (continued)

- The Fiscal Officer should only pay the employees based on the number of hours worked and properly documented. Prior to making any payment for payroll the Fiscal Officer should insure the time cards and/or time sheets are appropriately approved by the Police Chief and the Mayor (where applicable).
- Council should consider requesting from their legal counsel a review all the Village payroll ordinances and modify as determined by Council. The ordinances should clearly state if the employee is salary or hourly.
- The Police Chief along with the Mayor and Council should monitor overtime to ensure the department stays within the budget allotted for the department.

By implementing these controls this will help to prevent errors and irregularities from occurring.

FINDING NUMBER 2019-002

Material Weakness

Budgetary Information – Accounting System

Accurate budgetary information within the Village’s accounting system is pertinent to ensure that the Village has accurate and complete information for decision-making processes. Budgetary information entered into the accounting system does not match amounts per the estimated resources certified by the County for 2018. The fund and amounts recorded in the accounting systems compared to the amount certified are as follows:

| 2018: | Co Auditor <u>Certification</u> | Revenue Status <u>Report</u> | <u>Variance</u> |
|--------------------------|------------------------------------|---------------------------------|-----------------|
| General Fund | \$1,080,651 | \$1,086,473 | \$5,822 |
| Street Construction M&R | \$112,712 | \$117,512 | \$4,800 |
| Cemetery | \$75,876 | \$77,573 | \$1,697 |
| Police Income Tax Levy | \$92,149 | \$98,149 | \$6,000 |
| Street Income Tax Levy | \$35,851 | \$36,851 | \$1,000 |
| Permissive MVL Tax | \$44,158 | \$47,158 | \$3,000 |
| Street Paving Fund | \$38,714 | \$0 | \$38,714 |
| Capital Improvement Fund | \$147,151 | \$144,751 | \$2,440 |
| Sewer Operating | \$223,990 | \$633,990 | \$410,000 |

The fiscal officer should periodically compare amounts recorded in the Revenue Status Report to amounts recorded on the Amended Official Certificate of Estimated Resources to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.

This page intentionally left blank

Village of Wellsville

1200 Main Street, Wellsville, Ohio, 43968

330-532-2524

Mayor: Nancy Murray

First and foremost, the current Council Members, Mayor and the Fiscal Officer (the Administration) would like to thank Nita Hendryx and Tisha Turner and their staff, Local Government Services, (LGS) (a division of the Auditor of State's office) for all their time, hard work and dedication to the Village in helping the Village during fiscal emergency..

The Administration realize the importance of these findings and will ensure policy and procedures are developed in order for the Village to be in compliance with all the findings noted in the audit report.

The Administration is also very pleased with this audit report, since there were three prior audit findings which are no longer valid.


For Finding 2019-001, Council and Mayor will work together to create new ordinances for the Police Chief, Lieutenant and Fire Chief. Those three positions will become salary paid employees with no overtime pay; also the Lieutenant will be required to use the time clock. The Mayor and Council will also work together with the Fiscal Officer to create a payroll policy define what the Village considers to be an acceptable standard of attendance and outline consequences for non-compliance. This policy will also include the procedures for authorizing and approving overtime. Mayor, Fiscal Officer and Department heads will continue to have monthly finance meeting to discuss budgets and enforce control over each departments spending. The Fiscal officer will insure time cards and time sheets are appropriately approved by the department heads and the Mayor before processing payroll to ensure work time is properly documented.

For Finding 2017-002, Council and the Mayor will be working with the Fiscal Officer, Finance Committee, to ensure accurate information on budgetary amendments and reconciling budgetary information are properly entered into the system.

The Village Council, Mayor and Fiscal Officer will work diligently together to strive for the best to correct all of the findings noted in the report and to help the Village improve their financial position.

Sincerely,


Mayor


Council President


Fiscal officer

This page intentionally left blank

**VILLAGE OF WELLSVILLE
COLUMBIANA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2018 and DECEMBER 31, 2019**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|---|------------------|--|
| 2017-001 | Ohio Revised Code §5705.10 (H) Negative cash fund balances | Yes | Finding No Longer Valid |
| 2017-002 | Ohio Revised Code §5705.39 Appropriation exceeded Estimated Resources. | Yes | Finding No Longer Valid |
| 2017-003 | Material Weakness: Segregation of Duties | Yes | Finding No Longer Valid |

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF WELLSVILLE

COLUMBIANA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
APRIL 9, 2020