



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF BRIDGEPORT
BELMONT COUNTY
DECEMBER 31, 2023 AND 2022**

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

Report on the Financial Statements, Internal Control, and Compliance

Village of Bridgeport
Belmont County
301 Main Street
Bridgeport, Ohio 43912

To the Village Council:

We have selectively tested certain accounts, financial records, reports and other documentation of the Village of Bridgeport, Belmont County, Ohio (the Village), as of and for the years ended December 31, 2023 and 2022. These procedures were designed to satisfy the audit requirements of Ohio Rev. Code § 117.11, and Ohio Admin. Code 117-4-02. Our engagement was not designed as a basis to opine on the accompanying financial statements, internal control over financial reporting, or compliance. We therefore express no opinions on these matters.

Internal Control Over Financial Reporting

Certain of the aforementioned tests relate to internal control over financial reporting. The results of those tests may allow us to identify internal control deficiencies. An internal control deficiency 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, whether caused by error or fraud.

Our internal control tests were not designed to identify all internal control deficiencies that might exist. Therefore, unidentified weaknesses may exist. However, we consider Findings 2023-011 through 2023-015 reported in the Schedule of Findings to be internal control deficiencies management and those charged with governance should address.

Compliance and Other Matters

We also tested compliance with certain provisions of laws, regulations, contracts, and grant agreements, applicable to the Village, noncompliance with which could directly and materially affect the determination of financial statement amounts. The results of our tests disclosed instances of noncompliance we believe could directly and materially affect the determination of financial statement amounts that we reported in the Schedule of Findings as items 2023-001 through 2023-010.

Village of Bridgeport
Belmont County
Report on the Financial Statements, Internal Control, and Compliance
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Village's Response to Findings

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



Keith Faber
Auditor of State
Columbus, Ohio

December 19, 2024

Village of Bridgeport, Ohio
Belmont County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$127,936	\$164,768	\$0	\$292,704
Municipal Income Tax	394,795	0	0	394,795
Intergovernmental	102,036	252,574	0	354,610
Charges for Services	69	107,721	0	107,790
Fines, Licenses and Permits	19,240	3,398	0	22,638
Miscellaneous	34,920	68,358	0	103,278
<i>Total Cash Receipts</i>	<i>678,996</i>	<i>596,819</i>	<i>0</i>	<i>1,275,815</i>
Cash Disbursements				
Current:				
Security of Persons and Property	6,745	668,651	0	675,396
Public Health Services	0	2,719	0	2,719
Transportation	0	206,428	0	206,428
General Government	206,634	133	0	206,767
Capital Outlay	0	78,824	18,422	97,246
Debt Service:				
Principal Retirement	0	47,441	0	47,441
Interest and Fiscal Charges	0	2,815	0	2,815
<i>Total Cash Disbursements</i>	<i>213,379</i>	<i>1,007,011</i>	<i>18,422</i>	<i>1,238,812</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>465,617</i>	<i>(410,192)</i>	<i>(18,422)</i>	<i>37,003</i>
Other Financing Receipts (Disbursements)				
Transfers In	0	409,782	0	409,782
Transfers Out	(409,782)	0	0	(409,782)
Advances In	58,500	58,500	0	117,000
Advances Out	(58,500)	(58,500)	0	(117,000)
Other Financing Sources	104	15	0	119
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(409,678)</i>	<i>409,797</i>	<i>0</i>	<i>119</i>
<i>Net Change in Fund Cash Balances</i>	<i>55,939</i>	<i>(395)</i>	<i>(18,422)</i>	<i>37,122</i>
<i>Fund Cash Balances, January 1</i>	<i>38,646</i>	<i>370,655</i>	<i>45,563</i>	<i>454,864</i>
<i>Fund Cash Balances, December 31</i>	<i>\$94,585</i>	<i>\$370,260</i>	<i>\$27,141</i>	<i>\$491,986</i>

See accompanying notes to the basic financial statements

Village of Bridgeport, Ohio
Belmont County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2023

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$1,108,171</u>
<i>Total Operating Cash Receipts</i>	<u>1,108,171</u>
Operating Cash Disbursements	
Personal Services	135,681
Employee Fringe Benefits	35,359
Contractual Services	182,155
Supplies and Materials	<u>409,281</u>
<i>Total Operating Cash Disbursements</i>	<u>762,476</u>
<i>Operating Income (Loss)</i>	<u>345,695</u>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	
Intergovernmental Receipts	40,519
Miscellaneous Receipts	501
Capital Outlay	(235,882)
Principal Retirement	(172,649)
Interest and Other Fiscal Charges	(22,465)
Other Financing Sources	<u>294</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(389,682)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(43,987)</u>
<i>Fund Cash Balances, January 1</i>	<u>884,081</u>
<i>Fund Cash Balances, December 31</i>	<u>\$840,094</u>

See accompanying notes to the basic financial statements

Village of Bridgeport, Ohio
Belmont County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2023

	Fiduciary Fund Types		
	Private Purpose Trust	Other Custodial	Combined Total
Additions			
Charges for Services	\$0	\$181,950	\$181,950
Fines, Licenses and Permits for Distribution	0	109,936	109,936
<i>Total Additions</i>	<i>0</i>	<i>291,886</i>	<i>291,886</i>
Deductions			
Other Distributions	0	189,103	189,103
<i>Total Deductions</i>	<i>0</i>	<i>189,103</i>	<i>189,103</i>
<i>Net Change in Fund Balances</i>	<i>0</i>	<i>102,783</i>	<i>102,783</i>
<i>Fund Cash Balances, January 1</i>	<i>1,000</i>	<i>158,996</i>	<i>159,996</i>
<i>Fund Cash Balances, December 31</i>	<i>\$1,000</i>	<i>\$261,779</i>	<i>\$262,779</i>

See accompanying notes to the basic financial statements

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

Note 1 – Reporting Entity

The Village of Bridgeport (the Village), Belmont 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 government services, including street lighting, fire and emergency medical services, and police services. The Village also provides water, sewer, and refuse (garbage) utilities.

On December 4, 2018, the Auditor of State declared the Village of Bridgeport to be in a state of fiscal emergency in accordance with Section 188.03 (A) of the Ohio Revised Code. Subsequently, a financial planning and supervision commission has been established, and the Auditor of State will serve as the financial supervisor.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in the Eastern Ohio Regional Transit Authority, Bel-O-Mar Regional Council and the Eastern Ohio Wastewater Authority, which are defined as jointly governed organizations. The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for Worker's Compensation, which is defined as a public entity risk pool. Notes 12 and 13 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 all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

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

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any 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:

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Police Levy Fund: The Police Levy Fund accounts for Police related receipts and expenses.

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

Kirkwood Heights Gravity Fund: This fund was set up to pay for the Kirkwood Heights OPWC loan.

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.

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

The Village's private purchase trust fund provides perpetual care for the Watson Lot at Weeks Cemetery.

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

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

Basis of Accounting

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

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

Budgetary Process

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

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated. The Village did not encumber all commitments required by Ohio law. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

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.

Leases

The Village is the lessee of one (1) with Norfolk Southern for a corner of the water plant building.

Fund Balances

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 Bridgeport, Ohio
Belmont County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balances (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 14.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$775,177	\$737,600	(\$37,577)
Special Revenue	1,067,631	1,065,101	(2,530)
Enterprise	1,261,319	1,149,485	(111,834)
Total	<u>\$3,104,127</u>	<u>\$2,952,186</u>	<u>(\$151,941)</u>

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

Note 3 – Budgetary Activity (Continued)

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$705,682	\$685,272	\$20,410
Special Revenue	1,183,232	1,086,546	96,686
Capital Projects	19,322	18,422	900
Enterprise	1,599,909	1,242,329	357,580
Total	<u>\$3,508,145</u>	<u>\$3,032,569</u>	<u>\$475,576</u>

Note 4 – Deposits and Investments

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

	2023
<i>Cash Management Pool:</i>	
Demand deposits	<u>\$1,357,206</u>
<i>Segregated Accounts - not held in the Pool:</i>	
Mayor's Court Clearing Account	<u>237,653</u>
	<u>1,594,859</u>

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.

The Village has a mayor's court clearing account that is held outside of the deposit pool where mayor's court activity is held for distribution. The balance in the Village's mayor's court clearing account represent unremitted court distributions.

At December 31, 2023, deposits were insured or collateralized, contrary to Ohio law.

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

Note 5 – Taxes

Property Taxes

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

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

Income Taxes

The Village levies a municipal income tax of 1.0 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.

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 – Interfund Balances

Outstanding advances at December 31, 2023, consisted of \$151,415.50 advanced to Martins Ferry Connection Fund to provide working capital for operations or projects and \$58,500 advanced to the COPS Grant Fund.

Note 7 – Risk Management

Workers’ Compensation

Workers’ Compensation coverage is provided by the State of Ohio. The Village pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village of Bridgeport policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber

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

Note 7 – Risk Management (Continued)

- Law Enforcement Liability
- Automobile Liability
- Vehicles
- Property
- Equipment breakdown

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

	<u>2023</u>
Cash and investments	\$42,996,442
Actuarial liabilities	\$19,743,401

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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, 2023.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2023.

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 2023. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2023. OP&F contributes 0.5 percent to fund these benefits.

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

Note 9 – Postemployment Benefits (Continued)

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

Effective January 1, 2023, 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, 2023, was as follows:

	<u>Principal</u>
<u>Governmental Fund Obligations</u>	
General Obligation Notes	\$48,394
<u>Enterprise Fund Obligations:</u>	
Ohio Water Development Authority Loan 3456	479,025
Ohio Water Development Authority Loan 6772	635,341
Ohio Water Development Authority Loan 8887	54,922
Ohio Water Development Authority Loan 8886	187,498
Ohio Water Development Authority Loan 7977	2,034
Total	<u>\$1,407,214</u>

The General Obligation Notes relate to the financing of various vehicles throughout the Village. These loans are payable in monthly or annual installments at annual percentage rates of 3.04 percent through 4.04 percent. The Village has pledged assets as security for these loans.

The Ohio Water Development Authority (OWDA) Loan 3456 relates to a Water Plant Treatment and valves Replacement. It was established in December of 2004 for \$ 2,560,000.00. The loan is paid in bi-annual payments of \$61,916.58 (principal and interest). Payoff is scheduled for July 2027.

The Ohio Water Development Authority (OWDA) Loan 6772 relates to a Water Plant Improvement Project. It was established in December of 2014 for \$ 821,943.85. The loan is paid in bi-annual payments of \$18,136.95 (principal and interest). Payoff is scheduled for January of 2045.

The Ohio Water Development Authority (OWDA) Loan 8887 relates to a Water Plant Improvement Project. It was established in December of 2020 for \$ 72,777.48 because the village fell behind on payments for loan # 6772. The loan is paid in bi-annual payments of \$7,470.30 (principal and interest). Payoff is scheduled for January of 2031.

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

Note 10 – Debt (Continued)

The Ohio Water Development Authority (OWDA) Loan 8886 relates to a Water Plant Improvement Project. It was established in December of 2020 for \$ 248,452.80 because the village fell behind on payments for loan # 3456. The loan is paid in bi-annual payments of \$25,502.62 (principal and interest). Payoff is scheduled for January of 2031.

The Ohio Water Development Authority (OWDA) Loan 7977 relates to Asset Management Plan. It was established in December of 2020 for \$8,136.00. The loan is paid in bi-annual payments of \$1,017.00 (principal only). Payoff is scheduled for July of 2024.

Amortization

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

Year Ending December 31:	General Obligation		
	OWDA Loans	Notes	Total
2024	\$195,114	\$38,542	\$233,656
2025	193,080	8,124	201,204
2026	193,080	4,062	197,142
2027	193,080	0	193,080
2028	69,247	0	69,247
2029-2033	263,802	0	263,802
2034-2038	181,370	0	181,370
2039-2043	181,370	0	181,370
2044-2046	54,411	0	54,411
Total	<u>\$1,524,554</u>	<u>\$50,728</u>	<u>\$1,575,282</u>

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. 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 – Jointly Governed Organizations

A. Eastern Ohio Regional Transit Authority

The Eastern Ohio Regional Transit Authority was established to provide transportation to the residents of the Ohio Valley and is statutorily created as a separate and distinct political subdivision of the State. The Authority is operated by a board of directors that is appointed by the nine Mayors of the municipalities served by the Authority. The Village did not contribute any amounts to the Authority during 2023. The continued existence of the Authority is not dependent on the Village's continued participation and no equity interest exists. The Authority has no outstanding debt for which the Village of Bridgeport is responsible.

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

Note 12 – Jointly Governed Organizations (Continued)

B. Bel-O-Mar Regional Council

The Bel-O-Mar Regional Council is operated as a non-profit organization formed to provide planning and administrative services to all local governments in a four-county region comprised of Belmont County, Ohio and three counties in West Virginia. The governing board is comprised of 58 officials from the four-county service area of which three members and one alternate member are appointed by Belmont County and one member is appointed by each local government within Belmont County. The Mayor of the Village of Bridgeport serves as the Village's representative on the board. The Council is not dependent upon the Village of Bridgeport for its continued existence, no debt exists, and the Village does not maintain an equity interest. During 2023, the Village made no payments to Bel-O-Mar Regional Council.

C. Eastern Ohio Regional Wastewater Authority

The Eastern Ohio Regional Wastewater Authority (EORWA) was established by Ohio Revised Code Section 6119, serving the municipalities of Bellaire, Brookside, Bridgeport, and Martins Ferry. The Authority is operated by a four-member Board of Trustees. One member is appointed by the Mayor of Bridgeport. The Authority is not dependent on the Village of Bridgeport for its continued existence and the Village does not maintain an equity interest. The Village does not make any monetary contributions to the Authority.

Note 13 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 14 – Fund Balances

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

Fund Balances	Special		
	General	Revenue	Total
Outstanding Encumbrances	\$ 3,611	\$ 21,035	\$ 24,646

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

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

Note 15 – Going Concern

On December 4, 2018, the Auditor of State declared the Village of Bridgeport to be in the State of Fiscal Emergency in accordance with Section 188.03(A) of the Ohio Revised Code. Subsequently, a financial planning and supervision commissioner has been established, and the Auditor of State will service as financial supervisor.

In accordance with Section 118.06 of the Ohio Revised Code, the Village is required to submit to the financial planning and supervision commission a financial recovery plan for the Village which outlines the measures to be taken to eliminate the fiscal emergency conditions. The Village approved a revised recovery plan on December 19, 2023.

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

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$137,140	\$177,632	\$0	\$314,772
Municipal Income Tax	318,328	0	0	318,328
Intergovernmental	108,938	242,241	0	351,179
Charges for Services	4,963	109,586	0	114,549
Fines, Licenses and Permits	59,671	1,190	0	60,861
Miscellaneous	24,364	9,658	0	34,022
<i>Total Cash Receipts</i>	<i>653,404</i>	<i>540,307</i>	<i>0</i>	<i>1,193,711</i>
Cash Disbursements				
Current:				
Security of Persons and Property	95,416	503,839	0	599,255
Public Health Services	0	1,574	0	1,574
Basic Utility Services	317	3,840	0	4,157
Transportation	0	225,191	0	225,191
General Government	256,678	3,474	0	260,152
Capital Outlay	0	26,743	109,162	135,905
Debt Service:				
Principal Retirement	4,947	43,363	0	48,310
Interest and Fiscal Charges	472	3,960	0	4,432
<i>Total Cash Disbursements</i>	<i>357,830</i>	<i>811,984</i>	<i>109,162</i>	<i>1,278,976</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>295,574</i>	<i>(271,677)</i>	<i>(109,162)</i>	<i>(85,265)</i>
Other Financing Receipts (Disbursements)				
Transfers In	0	329,483	0	329,483
Transfers Out	(329,483)	0	0	(329,483)
Other Financing Uses	(3,227)	0	0	(3,227)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(332,710)</i>	<i>329,483</i>	<i>0</i>	<i>(3,227)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(37,136)</i>	<i>57,806</i>	<i>(109,162)</i>	<i>(88,492)</i>
<i>Fund Cash Balances, January 1</i>	<i>75,782</i>	<i>312,849</i>	<i>154,725</i>	<i>543,356</i>
<i>Fund Cash Balances, December 31</i>	<i>\$38,646</i>	<i>\$370,655</i>	<i>\$45,563</i>	<i>\$454,864</i>

See accompanying notes to the basic financial statements

Village of Bridgeport, Ohio
Belmont County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2022

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$1,143,667</u>
<i>Total Operating Cash Receipts</i>	<u>1,143,667</u>
Operating Cash Disbursements	
Personal Services	142,043
Employee Fringe Benefits	50,198
Contractual Services	125,898
Supplies and Materials	562,371
Other	<u>1,350</u>
<i>Total Operating Cash Disbursements</i>	<u>881,860</u>
<i>Operating Income (Loss)</i>	<u>261,807</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	155,796
Special Assessments	30,118
Miscellaneous Receipts	680
Intergovernmental Disbursements	(68,870)
Principal Retirement	(316,559)
Interest and Other Fiscal Charges	<u>(27,684)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(226,519)</u>
<i>Net Change in Fund Cash Balances</i>	35,288
<i>Fund Cash Balances, January 1</i>	<u>848,793</u>
<i>Fund Cash Balances, December 31</i>	<u>\$884,081</u>

See accompanying notes to the basic financial statements

Village of Bridgeport, Ohio
Belmont County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2022

	Fiduciary Fund Types		
	Private Purpose Trust	Other Custodial	Combined Total
Additions			
Charges for Services	\$0	\$185,542	\$185,542
Fines, Licenses and Permits for Distribution	0	78,470	78,470
<i>Total Additions</i>	<i>0</i>	<i>264,012</i>	<i>264,012</i>
Deductions			
Distributions to Other Governments	0	1,976	1,976
Distributions to Other Funds (Primary Gov't)		40,762	40,762
Other Distributions	0	174,161	174,161
<i>Total Deductions</i>	<i>0</i>	<i>216,899</i>	<i>216,899</i>
<i>Net Change in Fund Balances</i>	<i>0</i>	<i>47,113</i>	<i>47,113</i>
<i>Fund Cash Balances, January 1</i>	<i>1,000</i>	<i>111,883</i>	<i>112,883</i>
<i>Fund Cash Balances, December 31</i>	<i>\$1,000</i>	<i>\$158,996</i>	<i>\$159,996</i>

See accompanying notes to the basic financial statements

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

Note 1 – Reporting Entity

The Village of Bridgeport (the Village), Belmont 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 government services, including street lighting, fire and emergency medical services, and police services. The Village also provides water, sewer, and refuse (garbage) utilities.

On December 4, 2018, the Auditor of State declared the Village of Bridgeport to be in a state of fiscal emergency in accordance with Section 188.03 (A) of the Ohio Revised Code. Subsequently, a financial planning and supervision commission has been established, and the Auditor of State will serve as the financial supervisor.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in the Eastern Ohio Regional Transit Authority, Bel-O-Mar Regional Council and the Eastern Ohio Wastewater Authority, which are defined as jointly governed organizations. The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for Worker's Compensation, which is defined as a public entity risk pool. Notes 13 and 14 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 all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

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

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any 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:

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Policy Levy Fund: The Police Levy Fund accounts for Police related receipts and expenses.

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

Police Cruiser Fund: This fund was set up for the purchase of two police cruisers for the Village.

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

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

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

The Village's private purchase trust fund provides perpetual care for the Watson Lot at Weeks Cemetery.

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

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

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated. The Village did not encumber all commitments required by Ohio law. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2022 budgetary activity appears in Note 4.

Deposits and Investments

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

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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

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

Note 3 – Compliance

At December 31, 2022, the Village's appropriations exceeded the amount certified as available by the budget commission in the Policy Levy Fund in the amount of \$6,253.

Note 4 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

Fund Type	2022 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$639,000	\$653,404	\$14,404
Special Revenue	850,347	869,790	19,443
Enterprise	1,574,200	1,330,261	(243,939)
Total	<u>\$3,063,547</u>	<u>\$2,853,455</u>	<u>(\$210,092)</u>

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

Note 4 – Budgetary Activity (Continued)

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$701,143	\$691,022	\$10,121
Special Revenue	957,320	825,671	131,649
Capital Projects	221,362	128,484	92,878
Enterprise	1,766,996	1,316,602	450,394
Total	<u>\$3,646,821</u>	<u>\$2,961,779</u>	<u>\$685,042</u>

Note 5 – Deposits and Investments

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

	2022
<i>Cash Management Pool:</i>	
Demand deposits	<u>\$1,370,293</u>
Segregated Accounts - not held in the Pool:	
Mayor's Court Clearing Account	<u>128,648</u>
	<u>1,498,941</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; 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.

The Village has a mayor's court clearing account that is held outside of the deposit pool where mayor's court activity is held for distribution. The balance in the Village's mayor's court clearing account represent unremitted court distributions.

At December 31, 2022, deposits were insured or collateralized, contrary to Ohio law.

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

Note 6 – Taxes

Property Taxes

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

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

Income Taxes

The Village levies a municipal income tax of 1.0 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.

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 – Interfund Balances

Outstanding advances at December 31, 2022, consisted of \$151,415.50 advanced to Martins Ferry Connection Fund to provide working capital for operations or projects.

Note 8 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village of Bridgeport policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law Enforcement Liability

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

Note 8 – Risk Management (Continued)

- Automobile Liability
- Vehicles
- Property
- Equipment breakdown

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

	2022
Cash and investments	\$42,310,794
Actuarial liabilities	\$15,724,479

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2022.

Note 10 – Postemployment Benefits

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

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

Note 10 – Postemployment Benefits (Continued)

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

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual 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 11 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
<u>Governmental Fund Obligations</u>		
General Obligation Notes	\$95,824	3.04-4.04%
<u>Enterprise Fund Obligations:</u>		
Ohio Water Development Authority Loan 3456	594,373	1.50%
Ohio Water Development Authority Loan 6772	658,965	1.49%
Ohio Water Development Authority Loan 8887	62,091	0.50%
Ohio Water Development Authority Loan 8886	211,971	0.50%
Ohio Water Development Authority Loan 7977	4,068	0.00%
Total	<u>\$1,627,292</u>	

The General Obligation Notes relate to the financing of various vehicles throughout the Village. These loans are payable in monthly or annual installments at annual percentage rates of 3.04 percent through 4.04 percent. The Village has pledged assets as security for these loans.

The Ohio Water Development Authority (OWDA) Loan 3456 relates to a Water Plant Treatment and valves Replacement. It was established in December of 2004 for \$ 2,560,000.00. The loan is paid in bi-annual payments of \$61,916.58 (principal and interest). Payoff is scheduled for July 2027.

The Ohio Water Development Authority (OWDA) Loan 6772 relates to a Water Plant Improvement Project. It was established in December of 2014 for \$ 821,943.85. The loan is paid in bi-annual payments of \$18,136.95 (principal and interest). Payoff is scheduled for January of 2045.

The Ohio Water Development Authority (OWDA) Loan 8887 relates to a Water Plant Improvement Project. It was established in December of 2020 for \$ 72,777.48 because the village fell behind on payments for loan # 6772. The loan is paid in bi-annual payments of \$7,470.30 (principal and interest). Payoff is scheduled for January of 2031.

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

Note 11 – Debt (Continued)

The Ohio Water Development Authority (OWDA) Loan 8886 relates to a Water Plant Improvement Project. It was established in December of 2020 for \$ 248,452.80 because the village fell behind on payments for loan # 3456. The loan is paid in bi-annual payments of \$25,502.62 (principal and interest). Payoff is scheduled for January of 2031.

The Ohio Water Development Authority (OWDA) Loan 7977 relates to Asset Management Plan. It was established in December of 2020 for \$8,136.00. The loan is paid in bi-annual payments of \$1,017.00 (principal only). Payoff is scheduled for July of 2024.

Amortization

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

2023	\$195,114	\$52,064	\$247,178
2024	195,114	38,542	233,656
2025	193,080	8,124	201,204
2026	193,080	4,062	197,142
2027	193,080	0	193,080
2028-2032	296,775	0	296,775
2033-2037	181,370	0	181,370
2038-2042	181,370	0	181,370
2043-2046	90,685	0	90,685
Total	<u>\$1,719,668</u>	<u>\$102,792</u>	<u>\$1,822,460</u>

Note 12 – Contingent Liabilities

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

Note 13 – Jointly Governed Organizations

A. Eastern Ohio Regional Transit Authority

The Eastern Ohio Regional Transit Authority was established to provide transportation to the residents of the Ohio Valley and is statutorily created as a separate and distinct political subdivision of the State. The Authority is operated by a board of directors that is appointed by the nine Mayors of the municipalities served by the Authority. The Village did not contribute any amounts to the Authority during 2022. The continued existence of the Authority is not dependent on the Village's continued participation and no equity interest exists. The Authority has no outstanding debt for which the Village of Bridgeport is responsible.

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

Note 13 – Jointly Governed Organizations (Continued)

B. Bel-O-Mar Regional Council

The Bel-O-Mar Regional Council is operated as a non-profit organization formed to provide planning and administrative services to all local governments in a four-county region comprised of Belmont County, Ohio and three counties in West Virginia. The governing board is comprised of 58 officials from the four-county service area of which three members and one alternate member are appointed by Belmont County and one member is appointed by each local government within Belmont County. The Mayor of the Village of Bridgeport serves as the Village's representative on the board. The Council is not dependent upon the Village of Bridgeport for its continued existence, no debt exists, and the Village does not maintain an equity interest. During 2022, the Village made no payments to Bel-O-Mar Regional Council.

C. Eastern Ohio Regional Wastewater Authority

The Eastern Ohio Regional Wastewater Authority (EORWA) was established by Ohio Revised Code Section 6119, serving the municipalities of Bellaire, Brookside, Bridgeport, and Martins Ferry. The Authority is operated by a four-member Board of Trustees. One member is appointed by the Mayor of Bridgeport. The Authority is not dependent on the Village of Bridgeport for its continued existence and the Village does not maintain an equity interest. The Village does not make any monetary contributions to the Authority.

Note 14 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 15 – Fund Balances

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

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$482	\$13,687	\$19,322	\$33,491

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

Note 15 – Fund Balances (Continued)

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

Note 16 – Going Concern

On December 4, 2018, the Auditor of State declared the Village of Bridgeport to be in the State of Fiscal Emergency in accordance with Section 188.03(A) of the Ohio Revised Code. Subsequently, a financial planning and supervision commissioner has been established, and the Auditor of State will service as financial supervisor.

In accordance with Section 118.06 of the Ohio Revised Code, the Village is required to submit to the financial planning and supervision commission a financial recovery plan for the Village which outlines the measures to be taken to eliminate the fiscal emergency conditions. The Village approved a revised recovery plan on December 19, 2023.

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**VILLAGE OF BRIDGEPORT
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022**

FINDING NUMBER 2023-001

Noncompliance

Ohio Rev. Code § 117.103(B)(1) states that a public office shall provide information about the Ohio fraud-reporting system and the means of reporting fraud to each new employee upon employment with the public office. Each new employee shall confirm receipt of this information within thirty days after beginning employment. Since May 4, 2012, Ohio Rev. Code § 117.103(B)(2), has also required each public office to make all its employees aware of the fraud-reporting system. Ohio Rev. Code § 117.103(B)(3) provides that a public office satisfies these notification requirements by providing information about the fraud-reporting system and means of reporting fraud in the employee handbook or manual. Employees must sign and verify receipt of the handbook or manual.

For 2023 and 2022, the Village neither made its current employees aware of the new fraud reporting system nor made new employees confirm receipt of this information. Failure to notify employees of the fraud reporting system could lead to instances of unreported fraud.

In order to prevent unreported instances of fraud, the Village should communicate the fraud reporting system to its current employees and implement a process for informing new employees.

Officials' Response: Mayor Teasdale is actively working on finalizing employees of the Fire Department along with Council members to satisfy these requirements.

Going forward, a document will be placed in each part-time and full-time new employee packets so that the employee is made aware of the Ohio fraud reporting system. A checklist will also be kept to ensure that this is completed within the 30 days of hiring. A document will also be placed in the personnel policy manual.

FINDING NUMBER 2023-002

Noncompliance

Ohio Rev. Code § 117.38 provides that cash-basis entities must file annual reports with the Auditor of State within 60 days after the close of the fiscal year. The Auditor of State (AOS) may prescribe by rule or guidelines the forms for these reports. However, if the Auditor of State has not prescribed a reporting form, the public office shall submit its report on the form used by the public office.

The report shall contain the following: (A) amount of collections and receipts, and accounts due from each source; (B) amount of expenditures for each purpose; (C) income of any public service industry that the entity owns or operates, as well as the costs of ownership or operation; and (D) amount of public debt of each taxing district, the purpose of the debt, and how the debt will be repaid.

The 2023 and 2022 notes to the financial statements required revisions, which were agreed to by the Village management and are reflected in the accompanying notes to the financial statements.

We noted the following:

- Revisions were made to the Equity in Pooled Deposit and Investments note.
- Revisions were made to the Budgetary Activity note.
- Revisions to the Cash note
- Revisions were made to the Debt note.

**VILLAGE OF BRIDGEPORT
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDING NUMBER 2023-002 (Continued)

Noncompliance - Ohio Rev. Code § 117.38

The Village should prepare the annual reports timely based upon financial information in their accounting system. The Village should implement proper systems and procedures to ensure that the financial report is accurately prepared.

Officials' Response: This will be monitored closer at the end of each year to ensure UAN and the year-end reports are accurate and match accordingly.

FINDING NUMBER 2023-003

Noncompliance

Ohio Rev. Code § 121.22(G) states, in part, the members of a public body may hold an executive session only after a majority of a quorum of the public body determines, by a roll call vote, to hold such a session and only at a regular or special meeting solely to consider any of the following matters:

- The appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee or officials, or the investigation of charges or complaints against a public employee, official, licensee, or regulated individual, unless the public employee, official licensee, or regulated individual requests a public hearing.
- The purchase of property for public purposes, or for the sale of property at competitive bidding, if premature disclosure of information would give an unfair competitive or bargaining advantage to a person whose personal private interest is adverse to the general public interest.
- Conferring with an attorney for the public body, concerning disputes involving the public body that are the subject of pending or imminent court action.
- Preparing for, conducting, or reviewing negotiations or bargaining sessions with public employees concerning their compensation or other terms and conditions of their employment.
- Matters required to be kept confidential by federal laws or rules or state statutes.
- Specialized details of security arrangements and emergency response protocols where disclosure of the matters discussed could reasonably be expected to jeopardize the security of the public body or public office.

The Village Council minutes for 2023 and 2022 indicated Council entered into executive sessions on eleven occasions without giving a reason for entering into executive session. Based on the information provided, this is not allowable per Ohio Rev. Code § 121.22(G).

If a public body holds an executive session to consider any of the matters listed in divisions of this section, the motion and vote to hold that executive session shall state which one or more of the approved matters listed in those divisions are to be considered at the executive session.

Village Council should only enter into executive session for the purposes outlined in Ohio Rev. Code § 121.22(G) and formally document in the minutes the reason for entering into executive session.

Officials' Response: The taking and preparing of meeting minutes was taken over by the Fiscal Officer in August of 2023. Since then a reason for the executive session has been listed in the minutes and will be continued. The Fiscal Officer specifically asks the Solicitor to state aloud the reasoning for the executive session so it can be listed accurately.

**VILLAGE OF BRIDGEPORT
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDING NUMBER 2023-004

Noncompliance

Ohio Rev. Code § 149.43(B)(2) states, in part, that a public office shall have available a copy of its current records retention schedule at a location readily available to the public.

Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1) require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records and Open Meetings Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General's Office or from another entity certified by the Attorney General to provide the training to the elected official or his/her designee.

Ohio Rev. Code § 149.43(E)(2) states, in part, that the public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices. The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site.

The Village did not establish a records retention schedule. As a result, there was an increased risk that records could be destroyed without obtaining the approval of the Ohio Historical Society and Auditor of State of Ohio, as required.

In addition, three council members and the mayor, nor their designee, did not attend public records training. The Village also failed to post the public records policy in a conspicuous place at the Village and in all locations where the Village has branch offices. The Village also failed to provide employees with a copy of the public records policy and maintain written evidence that the policy had been received. As a result, there was an increased risk that public records could be improperly denied to the public or improperly disposed of, which would potentially subject the Village to fines and other penalties.

The Village should consider consulting with the Ohio Historical Society regarding how long records are to be kept when developing a records retention schedule and policy for disposing of records. In addition, a Council member or his/ her designee should attend the required public records training for each term in office. Also, the Village should have their Public Records Policy posted at the Village Municipal Building and in all locations where the Village has branch offices. In addition, the Village should include the Village's Public Records Policy within their Employee Handbook.

Officials' Response: Village Administrator, Jesse Kosegi along with Mayor Teasdale have been working on establishing a records retention schedule. The policy will be posted on the bulletin board outside the front offices at all municipal buildings.

FINDING NUMBER 2023-005

Noncompliance

Ohio Rev. Code § 733.40 states that all moneys collected shall be paid by the mayor into the municipality on the first Monday of each month. At the first regular meeting of the legislative authority each month, the mayor shall submit a full statement of all money received, from whom and for what purposes received, and when paid into the treasury.

During the audit period, we noted that the Mayor's Court Software System generates a listing of money collected, from whom and for what purposes received and also a monthly disbursements report. However, the required statement is not submitted each month as there was not evidence in the minute record of Council's approval.

**VILLAGE OF BRIDGEPORT
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

**FINDING NUMBER 2023-005
(Continued)**

Noncompliance - Ohio Rev. Code § 733.40 (Continued)

In addition, it was noted that no distribution of fines and fees were made to the Village, State or County in either 2022 or 2023. In addition, it was noted the Village has not made their payment to the State for 2019 or 2020.

The Mayor should present to Council at the first regular meeting of each month a full statement of all money received, from who, and for what purpose, and approval should be noted in the Village's minutes by Council. In addition, a Monthly Disbursement Report should be presented, approved by Council, and disbursement of fines and fees should be paid by the Mayor's Court monthly to the Village, State and County.

Officials' Response: Mayors Court is transferring to a new software company, The Baldwin Group. The switch over process is currently taking place. This will help ensure that the proper reports and disbursements are being submitted accurately and in a timely manner.

FINDING NUMBER 2023-006

Noncompliance

Ohio Rev. Code § 733.81(C) provides that a newly elected or appointed fiscal officer shall complete at least six hours of initial education programs before commencing, or during the first year of, office. A fiscal officer who participates in a training program held under § 117.44 of the Rev. Code may apply those hours taken before commencing office to the six hours of initial education programs required under this division.

A new Fiscal Officer was appointed by the Board on November 19, 2021. Due to deficiencies in internal policies and procedures, the Fiscal Officer did not complete the required education programs during her first year of office.

Failure to obtain and document the required training could result in the Fiscal Officer not being adequately trained and could result in subsequent recording and compliance errors due to insufficient training.

The Fiscal Officer should complete the required continuing education hours and self-report the hours via the Auditor of State's Fiscal Integrity Act portal.

Officials' Response: To date and going forward, the Fiscal Officer will attend classes/conference to ensure the proper requirements are met and are properly being reported on the website. The actions to correct this started in 2023.

FINDING NUMBER 2023-007

Noncompliance

Ohio Rev. Code § 5705.10(I) requires that money paid into any fund shall be used only for the purposes for which such fund is established.

Disbursements were not paid from the proper fund to which the services were provided.

**VILLAGE OF BRIDGEPORT
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDING NUMBER 2023-007 (Continued)

Noncompliance (Continued)

In 2022, American Electric Power Street lights payment was posted to the Water Fund in the amount of \$2,738. Funds should have been posted to Street Department Fund. Also, in 2022, an American Electric Power consolidation bill was posted 100% to the Sewer Fund; however, \$317, \$862, \$239 and \$3,135, should have been posted to General, Street Construction and Maintenance, Fire & EMS Levy 2013, and Water Operating Funds, respectively.

These adjustments, which was agreed by management, was posted to the financial statements.

The lack of controls over the payment from the correct fund of bills 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.

Officials' Response: Adjustments have been made as of 11/29/2024 and 12/10/2024. Proper documentation was submitted to Audit on 12/02/2024.

FINDING NUMBER 2023-008

Noncompliance

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

At December 31, 2022, the Village's appropriations exceeded the amount certified as available by the budget commission in the Policy Levy Fund in the amount of \$6,253.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Village's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by Village Council to reduce the appropriations.

Officials' Response: Going forward, budgets and amended certificates will be monitored closer.

**VILLAGE OF BRIDGEPORT
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDING NUMBER 2023-009

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 to meet the obligation or, in the case of a 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.

"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, the Governing Board can authorize the drawing of a warrant for the payment of the amount due. The Governing Board 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 Entity Type.

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.

Super Blanket Certificate – The Governing Board 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.

In 2023, we noted an expenditure dated December 7, 2023 that had a purchase order issued on January 31, 2024. In 2022, we noted an expenditure dated December 10, 2022 that had a purchase order issued on January 11, 2023. There was no indication of "Then and Now" certificates.

Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

**VILLAGE OF BRIDGEPORT
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

**FINDING NUMBER 2023-009
(Continued)**

Noncompliance – Ohio Rev. Code § 5705.41(D)(1) (Continued)

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: This is a work in progress. Going forward, the Ohio Village Handbook Chapter 5, Section 7 will be followed closer.

FINDING NUMBER 2023-010

Ohio Admin. Code § 113-40-01(M) states "operating policies" means the set of operational procedures, policies, and requirements for the use of the Ohio Pooled Collateral System (OPCS), to be made available by the treasurer of state. All use of OPCS shall be subject to the operating policies, maintained at the sole discretion of the treasurer of state. The operating policies will be available at www.tos.ohio.gov. The operating policies indicates that public units (PU) are responsible for reviewing the reports posted on OPCS for their public fund deposits and for verifying the accuracy of their specific deposit details. Additionally, PUs are to proactively inform their financial institutions (FI) of any significant change to the amount of their deposits within a reasonable timeframe.

The Village's depositories are enrolled in the OPCS; however, the Fiscal Officer logged into the OPCS system once in 11 months to confirm the accuracy of their account balances with the treasurer of state, or to monitor the sufficiency of the collateral pledged towards public deposits by their financial institutions.

Failure to log into the system more consistently and verify the accuracy of account balances could lead to irregularities in the data presented not being identified in a timely manner. In addition, failure to monitor the sufficiency of the collateral pledged towards public deposits by the Village's financial institutions could lead to loss of funds in the event of a bank failure.

The Village should establish and implement procedures to access the OPCS system periodically to monitor account balances and collateral pledged by their financial institutions. Additionally, the Village should complete the periodic PU attestation of account balances.

Officials' Response: The Village Fiscal Officer will log into OPCS and monitor balances and collateral more frequently.

FINDING NUMBER 2023-011

Noncompliance

Village of Bridgeport Ordinance 2017-31 establishes rates for the Sewer Collections Utility provided by the Village of Bridgeport. The following rates will be billed monthly:

- That the monthly fee of \$2.50 will be amended to \$5.50 per month per connection. This revenue will be deposited into the Village's Sewer Operating Account. The Sewer Operating Account will be used solely for expenses to run the day to day operations of the utility.

**VILLAGE OF BRIDGEPORT
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

**FINDING NUMBER 2023-011
(Continued)**

Noncompliance – Village of Bridgeport Ordinance 2017-31 (Continued)

- That the monthly fee of \$2.60 will be amended to \$4.75 per month per connection. This revenue will be deposited into the Village's Sewer Capital Improvement Fund Account and used solely for the purpose of debt retirement, capital repair and replacement of the Village's short lived and longer lived capital assets of the sewer utility.

The Village Fiscal Officer did not allocate sewer charges for service revenue in accordance with the Village's sewer rate ordinance. We noted the following:

- In 2023, the Village collected a total of \$100,411 in sewer charges for services revenue and allocated 100% to the Sewer Operating Fund. The Village should have allocated \$46,530 to the Sewer Capital Improvement Fund. Therefore, the Sewer Operating Fund was overstated by \$46,530 and Sewer Capital Improvement was understated by \$46,530.
- In 2022, the Village collected a total of \$73,432 in sewer charges for services revenue and allocated \$69,313 to the Sewer Operating Fund and \$4,119 to the Sewer Capital Improvement Fund. The Village should have allocated a total of \$34,028 to the Sewer Capital Improvement Fund. Therefore, the Sewer Operating Fund was overstated by \$29,909 and Sewer Capital Improvement was understated by \$29,909

The adjustments were agreed to by management and the adjustments have been posted to the accounting records and are reflected in the accompanying financial statements.

The Village did not have an internal control process in place to ensure the sewer charges for services revenues were allocated according to the Village's ordinance.

By not having a process to ensure sewer receipts are allocated to the correct fund could result in a material financial statement misstatement and go undetected.

The Village should follow the Village Ordinance in effect to allocate sewer charges for services revenue.

Officials' Response: This has been turned over to Village Solicitor to rewrite the ordinance to clarify the sewer fees collected in accordance with Ordinance 1040.09(a). Adjustments have been made to correct through 2023 as of 12/09/2024. Proper documentation was submitted to Audit on 12/09/2024.

FINDING NUMBER 2023-012

Internal Control Deficiency – 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.

For the year ended December 31, 2023, the following errors were noted:

- The Village did not include Mayor's Court financial activity on the Financial Statements as a Custodial Fund, which resulted in adjustments to Fines, Licenses and Permits Collected for Distribution totaling \$109,935, and Other Distributions totaling \$931.
- Voided checks were incorrectly written off by a fund balance adjustment instead of Other Financing Sources in the General, Fire and EMS Levy 2013 and the Water Operating Utility Deposits Funds in the amounts of \$104, \$15 and \$294, respectively.

**VILLAGE OF BRIDGEPORT
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

**FINDING NUMBER 2023-012
(Continued)**

Internal Control Deficiency – Financial Reporting (Continued)

- Transfers in and Transfers out in the amount of \$58,500 should have been classified as advances in and advances out, which is what was approved within the General and COPS Grant Funds.

For the year ended December 31, 2022, the following errors were noted:

- The Village did not include Mayor's Court financial activity on the Financial Statements as a Custodial Fund, which resulted in adjustments to Fines, Licenses and Permits Collected for Distribution totaling \$78,470, Distributions to Other Governments totaling \$1,967, and Distributions to Other Funds (Primary Gov't) totaling \$40,762, and Other Distributions in the amount of \$486.

These adjustments, which was agreed by management, were posted to the financial statements.

The Fiscal Officer should utilize available authoritative resources, such as the Village handbook, to appropriately classify and record all receipt and expenditure transactions. This guidance will help ensure the Fiscal Officer makes proper postings to receipt and expenditure account classifications based on the source of receipt and nature of the expenditure.

Officials' Response: Actively working with Auditor of State and Local Government Services to correct issues.

FINDING NUMBER 2023-013

Internal Control Deficiency – Budgetary Amounts not recorded in the Accounting System

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.

At December 31, 2023, there were variances between appropriations approved by the Village Council and the amount posted to the Village's ledgers in the amounts of \$59,500 in the General Fund, \$4,000 in the Policy Levy Fund, \$40,800 in the Water Operating Fund and \$3,100 in the Sewer Operating Fund. At December 31, 2022 there were variances between appropriations approved by the Village Council and the amount posted to the Village's ledgers in the amounts of \$4,803 in the Street Construction Maintenance and Repair Fund and \$15,178 in the Water Operating Fund.

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.

At December 31, 2023, there were variances between the estimated receipts approved by the Budget Commission and the amounts posted to the Village's ledgers in the amounts of \$1,000 in the General Fund, \$1,597 in the Street Construction Maintenance and Repair Fund, and \$4,642 in the Police Levy Fund. At December 31, 2022, there were variances between the estimated receipts approved by the Budget Commission and the amounts posted to the Village's ledgers in the amounts of \$10,000 in the General Fund and \$1,646 in the Police Levy Fund.

**VILLAGE OF BRIDGEPORT
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

**FINDING NUMBER 2023-013
(Continued)**

**Internal Control Deficiency – Budgetary Amounts not recorded in the Accounting System
(Continued)**

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations and amendments thereof approved by Council were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) was not posted to the accounting system.

Failure to accurately post the appropriations to the ledgers could result in overspending and negative cash balances.

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 Board/ 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.

Officials' Response: Actively working with Auditor of State and Local Government Services to correct issues.

FINDING NUMBER 2023-014

Internal Control Deficiency – Mayor's Court Account Reconciliation and Policy and Procedures for Unpaid, Uncollected Citations

The Mayor's Court Clerk should perform monthly bank reconciliations over the Mayor's Court account to ensure money received and expended by the Village is properly recorded and accounted for.

During 2023 and 2022, limited procedures such as agreeing deposits and cleared checks to the bank statements were performed. The Mayor's Court Clerk did not perform formal procedures to reconcile Mayor's Court bank account to a cashbook. We did note variances between the amount of mayor's court revenue for 2023 and 2022 per the computerized Monthly Disbursement Reports to the total credits in the Mayor's Court bank account, in the amounts of \$19,415 and \$5,996, respectively, in which the receipts in the bank were higher. This could be the result of building permits and other non-court activity being collected by the mayor's office. By performing a monthly reconciliation, the Mayor's Clerk should be able to ensure all transactions are properly accounted for in the Mayor's Court cashbook and timely pay out distributions to the Village, State and County.

The Mayor's Court Clerk should perform a formal reconciliation each month for the Mayor's Court account to ensure all transactions are properly accounting for in the Mayor's Court cashbook and Mayor's Court accounting system (implemented 2021), and in the Mayor's Court bank account. In addition, the Mayor's Court Clerk should ensure that all receipts and disbursements are recorded in the cashbook. In addition, policies and procedures to collect overdue payments for citations. Supporting documentation should be maintained for all funds collected into the Mayor's Court Account so they can be properly recorded, allocated, and disbursed to the appropriate entities within a timely manner.

Officials' Response: Mayor Teasdale and Mayors Court Clerk, Carole Lyle are actively working on this. The switch over to new Mayors Court software, The Baldwin Group is currently taking place.

**VILLAGE OF BRIDGEPORT
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDING NUMBER 2023-015

Internal Control Deficiency – Minutes

Minutes are the official record of business of the Village and all minute records should be promptly reviewed and signed to ensure that the minutes are accurate, and the signatures document approval of the content prepared. In addition, all pertinent items should be approved in the minute record of the Village.

We noted the following were lacking in the meeting minutes:

- All of the meeting minutes for 2022 and 6 out of 16 meeting minutes for 2023 were not signed by any of the Village Council members and the Fiscal Officer.
- Minutes dated July 19, 2022 and July 26, 2022 had not been approved in the subsequent meeting.
- In 2022 and 2023, we noted one and two instances, respectively, where financial reports were not presented and approved.
- For the two employees tested for termination payments, the termination was not accepted in the minute records.

Each meeting's minutes should be signed by a Village Council member and the Fiscal Officer. In addition, when Village Council approves a prior meeting in the subsequent meeting minutes, the meeting date should be correct. In addition, when an employee resigns or retires, council should approve this resignation or retirement in the minute record.

Officials' Response: The taking and preparing of meeting minutes was taken over by the Fiscal Officer in August of 2023. From that point, all minutes have been signed by the Fiscal Officer, the Mayor, and also the Council President.

A discussion regarding Councils approval of resignations and retirements was held with the Mayor. An email was also sent to all department heads on 11/13/2024 explaining the changes regarding this procedure going forward.

FINDING NUMBER 2023-016

Internal Control Deficiency – Personal Leave

Village Employee Handbook for Personal Leave states that there shall be no pay of personal leave accrued upon employment separation or termination.

An employee left service at the Village and was compensated for 4 hours of personal leave totaling \$84.

The Village should utilize available authoritative resources, such as the Village Employee Handbook, to appropriately payout leave upon employment separation or termination. This guidance will help ensure the Village pays out the proper amount of leave upon employment separation or termination.

Officials' Response: The Personnel Policy Manual will be followed closer and accurately going forward.

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**Village of Bridgeport
301 Main Street
Bridgeport, Ohio 43912
Phone (740) 635-9999
Fax (740) 338-5067**

**SCHEDULE OF PRIOR ENGAGEMENT FINDINGS
DECEMBER 31, 2023 AND 2021**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2021-001	Ohio Rev. Code §117.38 – Annual Report (notes revisions)	No	Not corrected.
2021-002	Ohio Rev. Code § 121.22(G) - Public Meetings / Executive Sessions	No	Not corrected.
2021-003	Ohio Rev. Code § 135.22(B) – Annual continuing education programs.	Yes	
2021-004	Ohio Rev. Code § 149.43 – Availability of public records for inspection and copying.	No	Not corrected.
2021-005	Ohio Rev. Code § 1905.21 – No Mayor's Court docket maintained.	Yes	
2021-006	Ohio Rev. Code § 5705.10(D) – Use of revenues.	No	Not corrected.
2021-007	Ohio Rev. Code § 5705.12 – Fund approval.	Yes	
2021-008	Ohio Rev. Code § 5705.41(D)(1) – Purchase orders	No	Not corrected.
2021-009	Ohio Rev. Code § 5735.28 – Funds for maintaining state highways within municipal corporations.	Yes	
2021-010	Auditor of State Bulletin 97-003 - Advances	Yes	
2021-011	Internal Control Deficiency – Budgetary Amounts not recorded in the Accounting System	No	Not corrected.
2021-012	Internal Control Deficiency - Minutes	No	Not corrected.
2021-013	Internal Control Deficiency – Segregation of Duties	Yes	
2021-014	Internal Control Deficiency – Debt Proceeds	Yes	
2021-015	Internal Control Deficiency – Financial Reporting	No	Not corrected.
2021-016	Internal Control Deficiency – Mayor's Court Account Reconciliation	No	Not corrected.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BRIDGEPORT

BELMONT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/31/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov