



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF OAK HILL
JACKSON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2023.....	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2023.....	6
Statement of Additions, Deductions and Change in Fund Balance (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2023.....	7
Notes to the Financial Statements For the Year Ended December 31, 2023.....	9
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2022.....	19
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2022.....	20
Statement of Additions, Deductions and Change in Fund Balance (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2022.....	21
Notes to the Financial Statements For the Year Ended December 31, 2022.....	23
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	33
Schedule of Findings.....	35
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	39

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Oak Hill
Jackson County
415 N. Front Street
Oak Hill, Ohio 45656

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Oak Hill, Jackson County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2023 and 2022, or the changes in financial position thereof for the year then ended.

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

July 1, 2025

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Village of Oak Hill, Ohio*Jackson 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	\$114,962	\$89,450	\$0	\$204,412
Municipal Income Tax	177,989	0	0	177,989
Intergovernmental	118,225	390,431	84,937	593,593
Charges for Services	1,505	98,360	0	99,865
Licenses, Permits and Fees	22,114	2,319	0	24,433
Earnings on Investments	14,190	1,335	0	15,525
Miscellaneous	10,427	147	0	10,574
<i>Total Cash Receipts</i>	<u>459,412</u>	<u>582,042</u>	<u>84,937</u>	<u>1,126,391</u>
Cash Disbursements				
Current:				
Security of Persons and Property	293,828	102,871	0	396,699
Public Health Services	9,564	55,350	0	64,914
Basic Utility Services	13,895	0	0	13,895
Transportation	0	109,377	62,993	172,370
General Government	119,810	3,160	6,626	129,596
Capital Outlay	48,620	292,982	26,777	368,379
Debt Service:				
Principal Retirement	0	7,600	0	7,600
Interest and Fiscal Charges	0	984	0	984
<i>Total Cash Disbursements</i>	<u>485,717</u>	<u>572,324</u>	<u>96,396</u>	<u>1,154,437</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(26,305)</u>	<u>9,718</u>	<u>(11,459)</u>	<u>(28,046)</u>
<i>Fund Cash Balances, January 1</i>	<u>542,129</u>	<u>251,167</u>	<u>96,823</u>	<u>890,119</u>
<i>Fund Cash Balances, December 31</i>	<u>\$515,824</u>	<u>\$260,885</u>	<u>\$85,364</u>	<u>\$862,073</u>

See accompanying notes to the basic financial statements

Village of Oak Hill, Ohio*Jackson County**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**Proprietary Fund Type**For the Year Ended December 31, 2023*

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$1,093,836
Miscellaneous	<u>27</u>
<i>Total Operating Cash Receipts</i>	<u>1,093,863</u>
Operating Cash Disbursements	
Personal Services	281,198
Employee Fringe Benefits	89,268
Contractual Services	5,860
Supplies and Materials	411,177
Other	<u>204,379</u>
<i>Total Operating Cash Disbursements</i>	<u>991,882</u>
<i>Operating Income (Loss)</i>	<u>101,981</u>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	26,419
Intergovernmental Receipts	349,801
Other Debt Proceeds	212,852
Miscellaneous Receipts	11,732
Capital Outlay	(562,653)
Principal Retirement	(100,087)
Interest and Other Fiscal Charges	(20,650)
<i>Total Non-Operating (Disbursements)</i>	<u>(82,586)</u>
<i>Net Change in Fund Cash Balances</i>	19,395
<i>Fund Cash Balances, January 1</i>	<u>514,179</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$533,574</u></u>

See accompanying notes to the basic financial statements

Village of Oak Hill*Jackson County**Combined Statement of Additions, Deductions**and Changes in Fund Balances (Regulatory Cash Basis)**Fiduciary Fund Type**For the Year Ended December 31, 2023*

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
Additions	
Fines, Forfeitures and Settlements for Distribution	<u>\$985</u>
<i>Total Additions</i>	<u>985</u>
Deductions	
Other Distributions	<u>12</u>
<i>Total Deductions</i>	<u>12</u>
<i>Net Change in Fund Balances</i>	973
<i>Fund Cash Balances, January 1</i>	<u>398</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,371</u></u>

See accompanying notes to the basic financial statements

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Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Oak Hill (the Village), Jackson County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides water, sewer, and trash utilities, park operations, maintenance of roads, and police services. The Village contracts with the Madison-Jefferson Joint Fire District for fire protection services.

Public Entity Risk Pools

The Village participates in the Public Entities Pool of Ohio which is a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

Fire Fund – This fund accounts for Community Development Block Grant funding received through Jackson County Commissioners

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

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Capital Project Funds (Continued)

Permissive Sales Tax Fund – This fund receives permissive sales tax monies to be used for road and community improvements

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 – This fund receives charges for services from residents and businesses to cover water services costs.

Sewer Fund – This fund receives charges for services from residents and businesses to cover sewer services costs.

Trash Fund – This fund receives charges for services from residents and businesses to cover trash services costs.

Fiduciary Funds – Fiduciary funds include custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for the financial activity of the Mayor Court.

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

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

Budgetary Process

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

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

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. Appropriations lapse at year end.

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

Encumbrances – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year

A summary of 2023 budgetary activity appears in Note 4.

Deposits and Investments

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

The Village values certificates of deposit at cost and U.S. Series EE Paper Savings Bonds at face/denomination amount.

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.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

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

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

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

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

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

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Street Construction, Maintenance, and Repair Fund, Fire Fund, Water Operating Fund, and the Trash Fund by \$98,213, \$187,139, \$318,268, and \$200,584, respectively for year ended December 31, 2023.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$290,900	\$459,412	\$168,512
Special Revenue	213,800	582,042	368,242
Capital Projects	60,000	84,937	24,937
Enterprise	961,000	1,694,667	733,667
Total	<u>\$1,525,700</u>	<u>\$2,821,058</u>	<u>\$1,295,358</u>

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 4 – Budgetary Activity (Continued)

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$507,361	\$485,717	\$21,644
Special Revenue	335,360	572,324	(236,964)
Capital Projects	140,000	96,396	43,604
Enterprise	1,239,710	1,675,272	(435,562)
Total	<u>\$2,222,431</u>	<u>\$2,829,709</u>	<u>(\$607,278)</u>

Note 5 – Deposits and Investments

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

	2023
<i>Cash Management Pool:</i>	
Demand deposits	\$1,269,894
Certificates of deposit	<u>125,524</u>
Total deposits	1,395,418
U.S. saving bonds	<u>1,600</u>
Total Deposits and Investments	<u>\$1,397,018</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.

Investments

U.S. Savings Bonds are evidenced by Series EE bonds that exist in physical.

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.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 6 – Taxes (Continued)

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

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

Income Taxes

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

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

Note 7 – Risk Management

Risk Pool Membership

The 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 Villages policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability; and
- Cyber
- 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, 2023:

	<u>2023</u>
Cash and investments	\$43,996,442
Actuarial liabilities	\$19,743,401

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Villages' officials and full-time employees other than police officers 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

The Village's 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. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 10 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan (5340)	\$53,582	0.00%
Ohio Water Development Authority Loan (5884)	\$435,646	3.35%-3.79%
Ohio Water Development Authority Loan (6768)	\$58,502	2.00%
Ohio Water Development Authority Loan (7944)	\$179,633	0.00%
Ohio Public Works Commission (CO05H)	\$7,426	0.00%
Ohio Public Works Commission (CO08N)	\$107,916	0.00%
Ohio Public Works Commission (CO36F)	\$2,600	0.00%
Ohio Public Works Commission (CT78M)	\$45,899	0.00%
Ohio Public Works Commission (CT12U)	\$358,400	0.00%
Vinton County National Bank Note (200645794)	\$71,580	2.40%
Vinton County National Bank Note (200647431)	\$212,852	5.72%
Total	<u><u>\$1,534,036</u></u>	

The Ohio Water Development Authority (OWDA) loan #5340 originated in October 2009 to fund planning and design costs on a sewer collections improvement project, including the pay-off of OWDA loan #4905. The loan was approved in the amount of \$185,645. As of December 31, 2023, only \$178,606 has been drawn and the loan status indicates this loan is closed. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #5884 originated in June 2011 to fund a waterline replacement project. The loan was approved in the amount of \$599,437. As of December 31, 2023, the full amount has been drawn. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #6768 originated in June 2014 to fund a water meter replacement project. The loan was approved in the amount of \$138,794. As of December 31, 2023, \$124,430 had been drawn and the loan status indicates this loan is closed. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #7944 originated in January 2018 to fund improvements to the wastewater treatment plant. The loan was approved in the amount of \$1,202,623. As of December 31, 2023, \$1,059,790 had been drawn. Principal forgiveness adjustments totaling \$866,000 have been made to the balance of this loan. Water and sewer receipts will collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. This loan is not yet completed; therefore, an amortization schedule is not currently available.

The Ohio Public Works Commission loan CO05H is an interest-free loan that was obtained for a sewer system rehabilitation project. The loan originated in 2005 in the amount of \$59,407. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$1,485 over 20 years.

The Ohio Public Works Commission loan CO08N is an interest-free loan that was obtained for a water line replacement project. The loan originated in 2012 in the amount of \$175,000. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$2,917 over 30 years.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 10 – Debt (Continued)

The Ohio Public Works Commission loan CO36F is an interest-free loan that was obtained for a sewer system rehabilitation project. The loan originated in 2004 in the amount of \$52,014. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$1,300 over 20 years.

The Ohio Public Works Commission loan CT78M is an interest-free loan that was obtained for a sewer collection repairs and water system telemetry project. The loan originated in 2009 in the amount of \$125,000. However, only \$76,498 has been drawn and the project has been identified as closed. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$2,083 over 30 years.

The Ohio Public Works Commission loan CT12U is an interest-free loan that was obtained to fund improvements to the wastewater treatment plant. The loan originated in 2018 in the amount of \$448,000. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$22,400 over 20 years.

The Vinton County National Bank note #200645794 was obtained in 2022 in the amount of \$100,440 at 2.40% interest. The note was for the purpose of purchasing a dump truck. The note is secured by the vehicle. The Village will repay the note in semi-annual installments of \$10,729 over 5 years.

The Vinton County National Bank note #200647431 was obtained in 2023 in the amount of \$212,852 at 5.72% interest. The note was for the purpose of purchasing a garbage truck. The note is secured by the vehicle. The Village will repay the note in semi-annual installments of \$24,822 over 5 years.

Amortization

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

Year Ending December 31:	OWDA	OPWC	VCNB Dump Truck Note	VCNB Garbage Truck Note
2024	\$26,075	\$23,669	\$21,458	\$49,645
2025	52,149	33,753	\$21,458	\$49,645
2026	52,149	33,754	\$21,457	\$49,645
2027	52,149	30,783	\$10,678	\$49,644
2028	52,148	30,783	0	\$49,644
2029-2033	200,564	153,915	0	0
2034-2038	167,880	153,915	0	0
2039-2042	117,517	61,671	0	0
Total	<u>\$720,631</u>	<u>\$522,243</u>	<u>\$75,051</u>	<u>\$248,223</u>

Note 11 – Contingent Liabilities

Litigation

The Village is not currently party to litigation.

Grants

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 11 – Contingent Liabilities (Continued)

Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>
Nonspendable:	
Unclaimed Monies	\$975

Village of Oak Hill, Ohio*Jackson 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	\$110,781	\$71,138	\$512	\$182,431
Municipal Income Tax	155,463	0	0	155,463
Intergovernmental	122,797	200,952	81,649	405,398
Charges for Services	259	73,707	0	73,966
Licenses, Permits and Fees	19,757	220	0	19,977
Earnings on Investments	3,153	351	0	3,504
Miscellaneous	15,855	1,000	0	16,855
<i>Total Cash Receipts</i>	<u>428,065</u>	<u>347,368</u>	<u>82,161</u>	<u>857,594</u>
Cash Disbursements				
Current:				
Security of Persons and Property	269,037	183,454	0	452,491
Public Health Services	10,268	61,501	0	71,769
Leisure Time Activities	17,916	0	0	17,916
Basic Utility Services	14,540	12,800	0	27,340
Transportation	0	116,081	136,081	252,162
General Government	73,285	3,272	69	76,626
Capital Outlay	40,980	49,791	3,850	94,621
<i>Total Cash Disbursements</i>	<u>426,026</u>	<u>426,899</u>	<u>140,000</u>	<u>992,925</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,039</u>	<u>(79,531)</u>	<u>(57,839)</u>	<u>(135,331)</u>
Other Financing Receipts				
Loans Issued	0	40,176	0	40,176
<i>Total Other Financing Receipts</i>	<u>0</u>	<u>40,176</u>	<u>0</u>	<u>40,176</u>
<i>Net Change in Fund Cash Balances</i>	2,039	(39,355)	(57,839)	(95,155)
<i>Fund Cash Balances, January 1</i>	<u>540,090</u>	<u>290,522</u>	<u>154,662</u>	<u>985,274</u>
<i>Fund Cash Balances, December 31</i>	<u>\$542,129</u>	<u>\$251,167</u>	<u>\$96,823</u>	<u>\$890,119</u>

See accompanying notes to the basic financial statements

Village of Oak Hill, Ohio*Jackson County**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**Proprietary Fund Type**For the Year Ended December 31, 2022*

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$953,463
<i>Total Operating Cash Receipts</i>	<i>953,463</i>
Operating Cash Disbursements	
Personal Services	228,501
Employee Fringe Benefits	76,392
Contractual Services	805
Supplies and Materials	440,012
Other	153,299
<i>Total Operating Cash Disbursements</i>	<i>899,009</i>
<i>Operating Income (Loss)</i>	<i>54,454</i>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	26,035
Intergovernmental Receipts	6,773
Earnings on Investments (proprietary funds only)	100
Loans Issued	60,264
Miscellaneous Receipts	13,830
Capital Outlay	(66,863)
Principal Retirement	(129,873)
Interest and Other Fiscal Charges	(21,604)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(111,338)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(56,884)</i>
<i>Fund Cash Balances, January 1</i>	<i>571,063</i>
<i>Fund Cash Balances, December 31</i>	<i>\$514,179</i>

See accompanying notes to the basic financial statements

Village of Oak Hill, Ohio

Jackson County

*Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)*

Fiduciary Fund Type

For the Year Ended December 31, 2022

	Fiduciary Fund Type
	Custodial
Additions	
<i>Total Additions</i>	\$0
Deductions	
<i>Total Deductions</i>	0
<i>Net Change in Fund Balances</i>	0
<i>Fund Cash Balances, January 1</i>	398
<i>Fund Cash Balances, December 31</i>	\$398

See accompanying notes to the basic financial statements

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Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Oak Hill (the Village), Jackson County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides water, sewer, and trash utilities, park operations, maintenance of roads, and police services. The Village contracts with the Madison-Jefferson Joint Fire District for fire protection services.

Public Entity Risk Pools

The Village participates in the Public Entities Pool of Ohio which is a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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) 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:

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

ARP Fund – This fund receives intergovernmental monies to provide financial relief to the Village for eligible costs incurred as a result of the COVID-19 pandemic

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

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Capital Project Funds (Continued)

Permissive Sales Tax Fund – This fund receives permissive sales tax monies to be used for road and community improvements

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 – This fund receives charges for services from residents and businesses to cover water services costs.

Sewer Fund – This fund receives charges for services from residents and businesses to cover sewer services costs.

Trash Fund – This fund receives charges for services from residents and businesses to cover trash services costs.

Fiduciary Funds – Fiduciary funds include custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for the financial activity of the Mayor Court.

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

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

Budgetary Process

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

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

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. Appropriations lapse at year end.

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

Encumbrances – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year

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.

The Village values certificates of deposit at cost and U.S. Series EE Paper Savings Bonds at face/denomination amount.

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.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

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

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

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

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

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

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Street Construction, Maintenance, and Repair Fund, Cemetery Fund, and Fire Fund by \$13,063, \$3,499, and \$2,458, respectively for the year ended December 31, 2022.

Note 4 – Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$311,217	\$428,065	\$116,848
Special Revenue	293,834	387,544	93,710
Capital Projects	60,000	82,161	22,161
Enterprise	961,000	1,060,465	99,465
Total	<u>\$1,626,051</u>	<u>\$1,958,235</u>	<u>\$332,184</u>

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 4 – Budgetary Activity (Continued)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$500,592	\$426,026	\$74,566
Special Revenue	470,253	426,899	43,354
Capital Projects	140,000	140,000	0
Enterprise	1,239,505	1,117,349	122,156
Total	\$2,350,350	\$2,110,274	\$240,076

Note 5 – Deposits and Investments

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

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$1,277,671
Certificates of deposit	125,425
Total deposits	1,403,096
U.S. saving bonds	1,600
Total Deposits and Investments	\$1,404,696

Deposits

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

Investments

U.S. Savings Bonds are evidenced by Series EE bonds that exist in physical.

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.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 6 – Taxes (Continued)

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

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

Income Taxes

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

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

Note 7 – Risk Management

Risk Pool Membership

The 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 Villages policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability; and
- Cyber
- 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, 2022:

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

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Villages' officials and full-time employees other than police officers 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

The Village's 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 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 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.

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.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 10 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan (5340)	\$62,512	0.00%
Ohio Water Development Authority Loan (5884)	\$452,292	3.35%-3.79%
Ohio Water Development Authority Loan (6768)	\$66,850	2.00%
Ohio Water Development Authority Loan (7944)	\$179,633	0.00%
Ohio Public Works Commission (CO05H)	\$10,396	0.00%
Ohio Public Works Commission (CO08N)	\$113,750	0.00%
Ohio Public Works Commission (CO36F)	\$5,201	0.00%
Ohio Public Works Commission (CT78M)	\$48,449	0.00%
Ohio Public Works Commission (CT12U)	\$380,800	0.00%
Vinton County National Bank Note (200645794)	\$90,943	2.40%
Vinton County National Bank Note (200467617)	\$19,066	3.85%
Total	<u><u>\$1,429,892</u></u>	

The Ohio Water Development Authority (OWDA) loan #5340 originated in October 2009 to fund planning and design costs on a sewer collections improvement project, including the pay-off of OWDA loan #4905. The loan was approved in the amount of \$185,645. As of December 31, 2022, only \$178,606 has been drawn and the loan status indicates this loan is closed. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #5884 originated in June 2011 to fund a waterline replacement project. The loan was approved in the amount of \$599,437. As of December 31, 2022, the full amount has been drawn. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #6768 originated in June 2014 to fund a water meter replacement project. The loan was approved in the amount of \$138,794. As of December 31, 2022, \$124,430 had been drawn and the loan status indicates this loan is closed. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #7944 originated in January 2018 to fund improvements to the wastewater treatment plant. The loan was approved in the amount of \$1,202,623. As of December 31, 2022, \$1,059,790 had been drawn. Principal forgiveness adjustments totaling \$866,000 have been made to the balance of this loan. Water and sewer receipts will collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. This loan is not yet completed; therefore, an amortization schedule is not currently available.

The Ohio Public Works Commission loan CO05H is an interest-free loan that was obtained for a sewer system rehabilitation project. The loan originated in 2005 in the amount of \$59,407. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$1,485 over 20 years.

The Ohio Public Works Commission loan CO08N is an interest-free loan that was obtained for a water line replacement project. The loan originated in 2012 in the amount of \$175,000. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$2,917 over 30 years.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 10 – Debt (Continued)

The Ohio Public Works Commission loan CO36F is an interest-free loan that was obtained for a sewer system rehabilitation project. The loan originated in 2004 in the amount of \$52,014. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$1,300 over 20 years.

The Ohio Public Works Commission loan CT78M is an interest-free loan that was obtained for a sewer collection repairs and water system telemetry project. The loan originated in 2009 in the amount of \$125,000. However, only \$76,498 has been drawn and the project has been identified as closed. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$2,083 over 30 years.

The Ohio Public Works Commission loan CT12U is an interest-free loan that was obtained to fund improvements to the wastewater treatment plant. The loan originated in 2018 in the amount of \$448,000. Water and sewer receipts collateralized this loan. The Village will repay the loan in semiannual installments of \$22,400 over 20 years.

The Vinton County National Bank note #200467617 was obtained in 2018 in the amount of \$179,000 at 3.85% interest. The note was for the purpose of purchasing a garbage truck. The note is secured by the vehicle. The Village will repay the note in semi-annual installments of \$19,852 over 5 years.

The Vinton County National Bank note #200645794 was obtained in 2022 in the amount of \$100,440 at 2.40% interest. The note was for the purpose of purchasing a dump truck. The note is secured by the vehicle. The Village will repay the note in semi-annual installments of \$10,729 over 5 years.

Amortization

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

Year Ending December 31:	OWDA	OPWC	VCNB Garbage Truck Note	VCNB Dump Truck Note
2023	\$26,075	\$23,669	\$19,359	\$21,458
2024	52,149	36,353	0	21,458
2025	52,149	33,753	0	21,457
2026	52,149	33,755	0	21,457
2027	52,149	30,783	0	10,650
2028-2032	219,135	153,915	0	0
2033-2037	167,880	153,915	0	0
2038-2042	151,094	92,454	0	0
Total	<u>\$772,780</u>	<u>\$558,597</u>	<u>\$19,359</u>	<u>\$96,480</u>

Note 11 – Contingent Liabilities

Litigation

The Village is not currently party to litigation.

Grants

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs.

Village of Oak Hill
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 11 – Contingent Liabilities (Continued)

Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>
Nonspendable:	
Unclaimed Monies	\$975

Note 13 – COVID-19

During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

The Village received \$80,352 in American Rescue Plan Act funding in 2022. The Village did not sub-grant funds to other governments and organizations, nor were funds returned to the granting agency or spent on-behalf of other governments.

OHIO AUDITOR OF STATE KEITH FABER

65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

Village of Oak Hill
Jackson County
415 N. Front Street
Oak Hill, Ohio 45656

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Village of Oak Hill, Jackson County, Ohio (the Village) and have issued our report thereon dated July 1, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001, 2023-003 and 2023-004 that we consider to be material weaknesses.

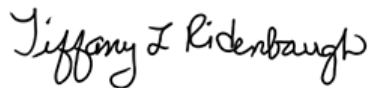
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2023-001 and 2023-002.

Purpose of this Report

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

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink, reading "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

July 1, 2025

**VILLAGE OF OAK HILL
JACKSON COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2023-001

Noncompliance/Material Weakness

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village had expenditures in excess of appropriations as follows:

December 31, 2023	Authority	Expenditures	Variance
Street Construction, Maintenance, and Repair Fund	\$120,405	\$ 218,618	\$(98,213)
Fire Fund	-	187,139	(187,139)
Water Operating Fund	527,925	846,193	(318,268)
Trash Fund	255,085	455,669	(200,584)

December 31, 2022	Authority	Expenditures	Variance
Street Construction, Maintenance, and Repair Fund	\$117,605	\$ 130,668	\$(13,063)
Cemetery Fund	80,270	83,769	(3,499)
Fire Fund	-	2,458	(2,458)

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Village Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

FINDING NUMBER 2023-002

Noncompliance

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

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money.

The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Ohio Rev. Code §§ 5705.41(D)(1) and 5705.41(D)(3), respectively.

**VILLAGE OF OAK HILL
JACKSON COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-002 (Continued)

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

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

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

2. Blanket Certificate – The auditor or fiscal officer may prepare "blanket" certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The Village Council may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to deficiencies in internal controls, we noted that in 2022, 100% of the transactions tested throughout the year were not properly encumbered and in 2023, 67% of the transactions were not properly encumbered. Failure to properly certify the availability of funds can result in overspending funds and negative fund cash balances. We also noted that \$23,895 of unrecorded encumbrances in the Enterprise funds at year-end for 2022 and \$24,589 of unrecorded encumbrances in the Enterprise funds at year end for 2023.

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.

FINDING NUMBER 2023-003

Material Weakness

Timesheets should be maintained and approved by department heads for all hourly employees to support the amount of hours worked. The timesheets should only be sent to Fiscal Officer once approved by the department head.

**VILLAGE OF OAK HILL
JACKSON COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-003 (Continued)

Material Weakness (Continued)

Village employees completed timesheets, however, in 2022 and 2023, 31 percent and 40 percent, respectively, did not have supervisory approval of the hours worked on the employee timesheet due to the lack of following established controls. This could result in inaccurate amounts being paid to employees and possible finding for recovery if an employee is determined to be overpaid.

Each department head should review and approve employee timesheets prior to processing of payroll by the Fiscal Officer. Approval should be documented by the Department head signature on the timesheet.

FINDING NUMBER 2023-004

Material Weakness

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.

As a result of the audit procedures performed, the financial statements had the following errors that required audit adjustments or reclassifications:

In 2022:

- General Fund municipal income tax receipts of \$155,463 were incorrectly classified as miscellaneous receipts;
- General Fund intergovernmental receipts of \$17,125 were incorrectly classified as property taxes;
- General Fund security of persons or property disbursements of \$3,934 and leisure time activities disbursement of \$17,916 were incorrectly classified as general government disbursements;
- General Fund intergovernmental receipts and capital outlay disbursements of \$40,980, Street Construction Maintenance and Repair Fund intergovernmental receipts and capital outlay disbursements of \$7,157, Fire Fund intergovernmental receipts and capital outlay disbursements of \$2,458, and Water Operating Fund intergovernmental receipts and capital outlay disbursements of \$6,599 were unrecorded due to Village not recording CDBG project activity;
- Permissive Motor Vehicle License Tax Fund intergovernmental receipts of \$6,647 were incorrectly recorded as taxes;
- School Resource Officer Fund charge for service receipts of \$57,140 were incorrectly recorded as intergovernmental;
- Permissive Sales Tax Capital Projects Fund intergovernmental receipts of \$54,443, transportation, general government and capital outlay disbursements of \$136,081, \$69 and \$3,850, respectively, and beginning fund balance of \$85,557 were incorrectly reported in a Special Revenue Fund;
- Permissive Sales Tax Capital Projects Fund intergovernmental receipts of \$27,206 were incorrectly recorded as taxes;
- American Rescue Plan Act Fund basic utilities disbursements of \$12,800 and transportation disbursements of \$3,876 were incorrectly classified as general government disbursements; and

**VILLAGE OF OAK HILL
JACKSON COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-004 (Continued)

Material Weakness (Continued)

- Street Construction Maintenance and Repair Fund loan proceeds and capital outlay disbursements of \$20,088, Cemetery Fund loan proceeds and capital outlay disbursements of \$20,088, Water Operating Fund loan proceeds and capital outlay disbursements of \$20,088, Sewer Operating Fund loan proceeds and capital outlay disbursements of \$20,088, and Trash Fund loan proceeds and capital outlay disbursements of \$20,088 were unrecorded.

In 2023:

- General Fund municipal income tax receipts of \$177,989 were incorrectly classified as miscellaneous receipts;
- General Fund intergovernmental receipts and capital outlay disbursements of \$48,620, Street Construction Maintenance and Repair Fund intergovernmental receipts and capital outlay disbursements of \$105,843, Fire Fund intergovernmental receipts and capital outlay disbursements of \$187,139, and Water Operating Fund intergovernmental receipts and capital outlay disbursements of \$349,801 were unrecorded due to Village not recording CDBG project activity;
- General Fund intergovernmental receipts of \$16,030 were incorrectly classified as property tax receipts;
- Permissive Motor Vehicle License Tax Fund intergovernmental receipts of \$10,631 were incorrectly recorded as taxes;
- School Resource Officer Fund charge for service receipts of \$83,191 were incorrectly recorded as intergovernmental;
- Permissive Sales Tax Capital Projects Fund intergovernmental receipts of \$6,810 were incorrectly recorded in the General Fund;
- Permissive Sales Tax Capital Projects Fund capital outlay disbursements of \$26,777 and transportation disbursements of \$62,993 were incorrectly classified as general government disbursements;
- Permissive Sales Tax Capital Projects Fund intergovernmental receipts of \$78,127 were incorrectly recorded as taxes;
- Trash Fund loan proceeds and capital outlay disbursements of \$212,852 were unrecorded; and Mayor's Court Custodial Fund fines, licenses, and permits for disbursements receipts of \$985 and other disbursements of \$12 were unrecorded.

Due to lack of understanding of UAN account codes and proper classifications, the Fiscal Officer made classification errors in posting of disbursements. This caused the incorrect fund type or classifications errors noted above.

The audited financial statements and the Village's UAN accounting system have been adjusted for the items noted above.

The Fiscal Officer should review the Village Officer's Handbook for guidance on the correct line item and fund type to post various receipts and disbursements of the Village to ensure the Village's financial statements are complete and accurate

Officials' Response: We did not receive a response from Officials to the findings reported above.

Village of Oak Hill
415 North Front Street
Oak Hill, Ohio 45656
740-682-7207 or 740-682-6301

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023 AND 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Ohio Rev. Code § 5705.41(D)(1) – Not properly encumbering funds.	Not Corrected.	Fiscal Officer will certify funds are or will be available prior to purchases by the Village. Then and Now certificates will be used if the amount of purchase is over \$3,000 and the purchase is deemed necessary without a purchase order in place.
2021-002	Material Weakness – not posting the appropriations and estimated resources	Corrected.	
2021-003	Material Weakness – incorrect posting of receipts, disbursements, and fund type classifications.	Not Corrected.	Fiscal Officer will refer to the Village Officials handbook to ensure postings are correct. Fiscal Officer will also complete the required annual training to become more familiar with different fund classifications.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF OAK HILL

JACKSON 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 7/22/2025

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

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