

**VILLAGE OF SHADYSIDE
BELMONT COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**



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Village Council
Village of Shadyside
50 East 39th Street
Shadyside, Ohio 43947

We have reviewed the *Independent Auditor's Report* of the Village of Shadyside, Belmont County, prepared by Gueye & Associates, CPA, for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L Ridenbaugh".

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

July 14, 2025

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**VILLAGE OF SHADYSIDE
BELMONT COUNTY**

DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

Village of Shadyside
Belmont County
50 East 39th Street
Shadyside, OH 43947

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 Shadyside, Belmont 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 December 31, 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 December 31, 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

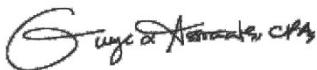
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 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.



Columbus, Ohio
June 23, 2025

Village of Shadyside, 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	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$372,953	\$232,478	\$ -	\$ -	\$ 605,431
Intergovernmental	190,085	254,420	-	-	444,505
Charges for Services	12,144	-	-	-	12,144
Fines, Licenses and Permits	14,164	-	-	-	14,164
Earnings on Investments	24,107	6,949	-	-	31,056
Miscellaneous	24,745	737	-	-	25,482
<i>Total Cash Receipts</i>	<u>638,198</u>	<u>494,584</u>	<u>-</u>	<u>-</u>	<u>1,132,782</u>
Cash Disbursements					
Current:					
Security of Persons and Property	286,731	275,406	-	-	562,137
Public Health Services	8,872	-	-	-	8,872
Leisure Time Activities	7	4,605	-	-	4,612
Transportation	51,845	198,583	-	-	250,428
General Government	258,241	4,863	-	-	263,104
Capital Outlay		141,416	-	-	141,416
Debt Service:					
Principal Retirement	-	9,952	-	-	9,952
<i>Total Cash Disbursements</i>	<u>605,696</u>	<u>634,825</u>	<u>-</u>	<u>-</u>	<u>1,240,521</u>
<i>Net Change in Fund Cash Balances</i>	32,502	(140,241)	-	-	(107,739)
<i>Fund Cash Balances, January 1</i>	<u>478,240</u>	<u>865,679</u>	<u>4,511</u>	<u>1,932</u>	<u>1,350,362</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 510,742</u></u>	<u><u>\$ 725,438</u></u>	<u><u>\$ 4,511</u></u>	<u><u>\$ 1,932</u></u>	<u><u>\$ 1,242,623</u></u>

See accompanying notes to the basic financial statements

Village of Shadyside, 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 Funds Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$1,234,036</u>
Total Operating Cash Receipts	<u>1,234,036</u>
Operating Cash Disbursements	
Personal Services	237,034
Employee Fringe Benefits	143,414
Contractual Services	356,354
Supplies and Materials	124,879
Other	<u>25,430</u>
Total Operating Cash Disbursements	<u>887,111</u>
Operating Income (Loss)	<u>346,925</u>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	1,695
Intergovernmental Receipts	388,505
Miscellaneous Receipts	2,918
Capital Outlay	(278,493)
Principal Retirement	(231,480)
Interest and Other Fiscal Charges	<u>(57,031)</u>
Total Non-Operating Receipts (Disbursements)	<u>(173,886)</u>
Net Change in Fund Cash Balances	<u>173,039</u>
Fund Cash Balances, January 1 (Restated)	<u>1,049,809</u>
Fund Cash Balances, December 31	<u>\$ 1,222,848</u>

See accompanying notes to the basic financial statements

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

	<u>Fiduciary Funds Type</u>
	<u>Custodial</u>
Additions	
Other Amounts Collected for Distribution	\$ 10,870
<i>Total Additions</i>	<u>10,870</u>
Deductions	
Distributions as Fiscal Agent	
Distributions to Other Governments	9,368
Other Distributions	2,088
<i>Total Deductions</i>	<u>11,456</u>
<i>Net Change in Fund Balances</i>	(586)
<i>Fund Cash Balances, January 1</i>	<u>860</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 274</u>

See accompanying notes to the basic financial statements

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

Note 1 - Reporting Entity

The Village of Shadyside (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 general governmental services, including water and sewer utilities, park operations, and police services.

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

The Village is involved with Bel-O-Mar Regional Council, Eastern Ohio Regional Transit Authority and the OR&W Fire District, which are defined as jointly-governed organizations. Note 11 to the financial statements provides additional information for these entities. The Village also participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 6 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 and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

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

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

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

Street Construction Maintenance and Repair Fund: 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.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. There was no activity in the debt service funds for the period January 1, 2023 through December 31, 2023.

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. There was no activity in the capital project funds for the period January 1, 2023, through December 31, 2023.

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

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.

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

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

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for the activity of the Village's Mayor's Court, and the Hillview Park Recreation Fund.

Basis of Accounting

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

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

Budgetary Process

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

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

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

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 retirement, employees are entitled to cash payments for unused sick 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:

Non-spendable: The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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

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

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

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

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

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2023 follows:

Fund Type	2023 Budgeted vs. Actual Receipts		
	Budgeted	Actual	Variance
Receipts	Receipts		
General	\$556,300	\$638,198	\$81,898
Special Revenue	451,700	494,584	42,884
Enterprise	1,635,475	1,627,154	(8,321)
Total	<u>\$2,643,475</u>	<u>\$2,759,936</u>	<u>\$116,461</u>

Fund Type	2023 Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation	Budgetary	Variance
Authority	Expenditures		
General	\$775,000	\$605,696	\$169,304
Special Revenue	1,109,536	634,825	474,711
Debt Service	4,511	0	4,511
Capital Projects	1,932	0	1,932
Enterprise	2,059,905	1,454,115	605,790
Total	<u>\$3,950,884</u>	<u>\$2,694,636</u>	<u>\$1,256,248</u>

Note 4 – Deposits

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

	2023
Demand deposits	\$ 2,465,745

Deposits

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

Note 5 – Taxes

Property Taxes

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

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

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.

Note 6 - 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's policy. The Pool covers the following risks:

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

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

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Forty (40) 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Ohio Police and Fire Retirement System:

Ten (10) Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

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

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

Social Security

Three (3) Village's employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Note 8 - 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.

Note 9 – Debt

Debt outstanding at December 31, 2023 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loans	\$813,747	0-2%
Ohio Water Development Authority Loans	3,002,690	1-4.79%
Total	\$3,816,437	

The Ohio Public Works Commission (OPWC) Loans relate to storm sewer replacement and water system improvements payable in semi-annual installments at annual percentage rates of 0% to 2%, with final payment due January 1, 2053. The storm sewer system replacement loan is paid from the General and Sewer Debt Fund. The water system improvements loan is paid from the Water Debt Service Fund and is collateralized by water utility receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Water Development Authority (OWDA) loans relate to a water plant generator, sewer collection system improvements, and reservoir embankment repairs payable in semi-annual installments at annual percentage rates of 1.00% to 4.79%, with final payment due July 1, 2042. The loans are secured by water and sewer utility receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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

Amortization

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

Year Ending December 31:	OWDA Loans	OPWC Loans
2024	\$ 259,353	\$ 40,252
2025	259,390	40,253
2026	259,466	40,253
2027	259,546	40,253
2028	259,629	40,253
2029-2033	1,088,174	196,286
2034-2048	773,900	151,500
2039-2043	442,326	134,867
2044-2048	-	68,333
2049-2053	-	68,334
Total	\$ 3,601,784	\$ 820,584

Note 10 – 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 11 – Jointly Governed Organizations

- a. **BEL-O-Mar Regional Council** is operated as a not-for-profit organization formed to provide planning and administrative services to all local governments in a four-county region comprised Belmont County, Ohio and three counties in West Virginia (Ohio, Marshall and Wetzel Counties). 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 each local government within Belmont County. The Council is not dependent upon the Village of Shadyside for its continued existence, no debt exists, and the Village does not maintain an equity interest.
- b. **Eastern Ohio Regional Transit Authority** (the 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 local mayors of the municipalities served by the Authority. The continued existence of the Authority is not dependent upon the Village's continued participation and no equity interest exists for which the Village is responsible.
- c. **OR&W Fire District** (the Fire District) was created by a resolution of both the Village of Shadyside and Mead Township under the authority of Ohio Revised Code § 505.731. The Fire District is operated by a five-member board.

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

One member is a member of the Board of Trustees of Mead Township appointed by the Board of Trustees, one member is a member of the Council of the Village of Shadyside appointed by Council, one member is a nonmember of the Board of Trustees of Mead Township appointed by the Board of Trustees, one member is a nonmember of the Council of the Village of Shadyside appointed by Council, and one member is appointed by the existing board members. The Fire District hires and fires its own staff and does not rely on the Village to finance deficits. The Village is not financially accountable for the Fire District nor is the Fire District financially dependent on the Village. The Fire District serves as its own budgeting, taxing and debt issuance authority.

Note 12 – RESTATEMENT OF FUND BALANCE

In 2023, the Village voided prior year outstanding checks resulting in fund balances adjustments. The following is the effect on the fund balances:

Description	Beginning Fund Balance	Debit	Credit	Restated Beginning Fund Balance
Proprietary Funds	\$1,048,276	\$ -	\$ 1,533	\$ 1,049,809
Total Restated Fund Balance	\$1,048,276	\$ -	\$ 1,533	\$ 1,049,809

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Village of Shadyside, 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	Debt Service	Capital Projects	Totals	
					(Memorandum Only)	
Cash Receipts						
Property and Other Local Taxes	\$ 314,961	\$ 209,338	\$ -	\$ -	\$ 524,299	
Intergovernmental	209,815	443,399	-	-	653,214	
Charges for Services	8,079	-	-	-	8,079	
Fines, Licenses and Permits	14,781	-	-	-	14,781	
Earnings on Investments	4,392	1,334	-	-	5,726	
Miscellaneous	17,130	1,657	-	-	18,787	
<i>Total Cash Receipts</i>	<i>569,158</i>	<i>655,728</i>	<i>-</i>	<i>-</i>	<i>1,224,886</i>	
Cash Disbursements						
Current:						
Security of Persons and Property	268,698	266,777	-	-	535,475	
Public Health Services	9,360		-	-	9,360	
Leisure Time Activities	-	4,974	-	-	4,974	
Transportation	49,635	205,248	-	-	254,883	
General Government	223,386	4,160	-	-	227,546	
Capital Outlay		1,772				
Debt Service:						
Principal Retirement	-	9,953	-	-	9,953	
<i>Total Cash Disbursements</i>	<i>551,079</i>	<i>492,884</i>	<i>-</i>	<i>-</i>	<i>1,043,963</i>	
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<i>18,079</i>	<i>162,844</i>	<i>-</i>	<i>-</i>	<i>180,923</i>	
<i>Net Change in Fund Cash Balances</i>	<i>18,079</i>	<i>162,844</i>	<i>-</i>	<i>-</i>	<i>180,923</i>	
<i>Fund Cash Balances, January 1 (Restated)</i>	<i>460,161</i>	<i>702,835</i>	<i>4,511</i>	<i>1,932</i>	<i>1,169,439</i>	
<i>Fund Cash Balances, December 31</i>	<i>\$ 478,240</i>	<i>\$ 865,679</i>	<i>\$ 4,511</i>	<i>\$ 1,932</i>	<i>\$ 1,350,362</i>	

See accompanying notes to the basic financial statements

Village of Shadyside, 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

	Proprietary Fund Type
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$ 1,211,793</u>
<i>Total Operating Cash Receipts</i>	<u>1,211,793</u>
Operating Cash Disbursements	
Personal Services	274,811
Employee Fringe Benefits	149,061
Contractual Services	258,204
Supplies and Materials	180,179
Other	<u>28,723</u>
<i>Total Operating Cash Disbursements</i>	<u>890,978</u>
<i>Operating Income (Loss)</i>	320,815
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	488
Intergovernmental	271,495
Loans Issued	410,000
Miscellaneous Receipts	9,805
Capital Outlay	(681,767)
Principal Retirement	(221,477)
Interest and Other Fiscal Charges	<u>(47,206)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(258,662)</u>
<i>Net Change in Fund Cash Balances</i>	62,153
<i>Fund Cash Balances, January 1 (Restated)</i>	<u>986,123</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,048,276</u>

See accompanying notes to the basic financial statements

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

	<u>Fiduciary Funds Type</u>
	<u>Custodial</u>
Additions	
Other Amounts Collected for Distribution	<u>\$ 19,878</u>
<i>Total Additions</i>	<u>19,878</u>
Deductions	
Distributions to Other Governments	18,840
Other Distributions	<u>743</u>
<i>Total Deductions</i>	<u>19,583</u>
<i>Net Change in Fund Balances</i>	295
<i>Fund Cash Balances, January 1</i>	<u>565</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 860</u>

See accompanying notes to the basic financial statements.

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

Note 1 - Reporting Entity

The Village of Shadyside (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 general governmental services, including water and sewer utilities, park operations, and police services.

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

The Village is involved with Bel-O-Mar Regional Council, Eastern Ohio Regional Transit Authority and the OR&W Fire District, which are defined as jointly-governed organizations. Note 11 to the financial statements provides additional information for these entities. The Village also participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 6 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 and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

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

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

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

Street Construction Maintenance and Repair Fund: 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.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. There was no activity in the debt service funds for the period January 1, 2022 through December 31, 2022.

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. There was no activity in the capital project funds for the period January 1, 2022, through December 31, 2022.

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

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.

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

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

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for the activity of the Village's Mayor's Court, and the Hillview Park Recreation Fund.

Basis of Accounting

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

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

Budgetary Process

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

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

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

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 retirement, employees are entitled to cash payments for unused sick 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:

Non-spendable: The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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

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

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

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

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

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$510,000	\$569,158	\$59,158
Special Revenue	651,627	655,728	4,101
Enterprise	1,879,995	1,903,581	23,586
Total	\$3,041,622	\$3,128,467	\$86,845

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$724,000	\$551,079	\$172,921
Special Revenue	1,159,605	492,884	666,721
Debt Service	4,511	0	4,511
Capital Projects	1,932	0	1,932
Enterprise	2,629,801	1,841,428	788,373
Total	\$4,519,849	\$2,885,391	\$1,634,458

Note 4 – Deposits

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

	2022
Demand deposits	\$ 2,399,498

Deposits

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

Note 5 – Taxes

Property Taxes

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

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

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.

Note 6 - 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's policy. The Pool covers the following risks:

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

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

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Forty (40) 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System:

Ten (10) Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

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

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

Social Security

Three (3) Village's employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

Note 8 - 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 2022, 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 2022, 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.

Note 9 – Debt

Debt outstanding at December 31, 2022 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loans	\$852,818	0-2%
Ohio Water Development Authority Loans	3,205,051	1-4.79%
Total	\$4,057,869	

The Ohio Public Works Commission (OPWC) Loans relate to storm sewer replacement and water system improvements payable in semi-annual installments at annual percentage rates of 0% to 2%, with final payment due January 1, 2053. The storm sewer system replacement loan is paid from the General and Sewer Debt Fund. The water system improvements loan is paid from the Water Debt Service Fund and is collateralized by water utility receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Water Development Authority (OWDA) loans relate to a water plant generator, sewer collection system improvements, and reservoir embankment repairs payable in semi-annual installments at annual percentage rates of 1.00% to 4.79%, with final payment due July 1, 2042. The loans are secured by water and sewer utility receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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

Amortization

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

Year Ending December 31:	OWDA Loans	OPWC Loans
2023	\$ 259,282	\$ 32,347
2024	259,353	40,252
2025	259,390	40,253
2026	259,466	40,253
2027	259,546	40,253
2028-2032	1,193,378	201,263
2033-2037	773,288	156,476
2038-2042	597,362	151,500
2043-2047	-	68,333
2048-2052	-	68,334
2049-2053	-	13,667
Total	\$ 3,861,064	\$ 852,930

Note 10 – 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 11 – Jointly Governed Organizations

- A. **Bel-O-Mar Regional Council** is operated as a not-for-profit organization formed to provide planning and administrative services to all local governments in a four-county region comprised Belmont County, Ohio and three counties in West Virginia (Ohio, Marshall and Wetzel Counties). 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 each local government within Belmont County. The Council is not dependent upon the Village of Shadyside for its continued existence, no debt exists, and the Village does not maintain an equity interest.
- B. **Eastern Ohio Regional Transit Authority** (the 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 local mayors of the municipalities served by the Authority. The continued existence of the Authority is not dependent upon the Village's continued participation and no equity interest exists for which the Village is responsible.
- C. **OR&W Fire District** (the Fire District) was created by a resolution of both the Village of Shadyside and Mead Township under the authority of Ohio Revised Code § 505.731. The Fire District is operated by a five-member board. One member is a member of the Board of Trustees of Mead Township appointed by the Board of Trustees, one member is a member of the Council of the Village of Shadyside appointed by Council, one member is a nonmember of the Board of Trustees of Mead Township appointed by the Board of Trustees, one member is a nonmember of the Council of the Village of Shadyside appointed by Council, and one member is appointed by the existing board members. The Fire District hires and fires its own staff and does not rely on the Village to finance deficits. The Village is not financially accountable for the Fire District nor is the Fire District financially

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

dependent on the Village. The Fire District serves as its own budgeting, taxing and debt issuance authority.

Note 12 – RESTATEMENT OF FUND BALANCE

In 2022, the Village voided several prior year outstanding checks resulting in fund balances adjustments. The following is the effect on the fund balances:

Description	Beginning Fund Balance	Debit	Credit	Restated Beginning Fund Balance
General Fund	\$ 457,990	\$ -	\$ 2,171	\$ 460,161
Special Revenue Funds	702,441	-	394	702,835
Proprietary Funds	981,130	-	4,993	986,123
Total Restated Fund Balance	<u>\$2,141,561</u>	<u>\$ -</u>	<u>\$ 7,558</u>	<u>\$ 2,149,119</u>

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.



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

Village of Shadyside
Belmont County
50 East 39th Street
Shadyside, OH 43947

To the Village Council:

We have audited, in accordance with 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, the financial statements of the cash balances, receipts, and disbursements for each governmental and the proprietary 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 Shadyside, Belmont County (the Village) and have issued our report thereon dated June 23, 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 purposes 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 Entity'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 Nos. 2023-001, 2023-002, and 2023-004 that we consider to be material weaknesses.

Village of Shadyside
Belmont County
Independent Auditor's Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

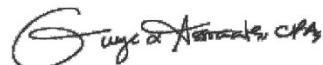
As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 is described in the accompanying schedule of findings as items Nos. 2023-003 and 2023-004

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

This 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.



Columbus, Ohio
June 23, 2025

**VILLAGE OF SHADYSIDE
BELMONT COUNTY**

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

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

FINDING NUMBER 2023-001

Material Weakness – Material misclassifications

In our audit engagement letter, as required by AU-C Section 210, 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.

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

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

The Village did not properly post all receipts and expenditures. Amounts were not always posted to the correct fund and/or line item. The following errors were noted:

We noted the following in 2023:

- Homestead Rollbacks revenues in the amounts of \$25,885 were receipted as Property and Other Local Taxes, instead of Intergovernmental Revenues, in the Permissive Vehicle License Tax-State Fund.
- Grant revenues in the amount of \$110,012 received from the OPWC were receipted as Special Assessment Revenues in the Water Equipment Replacement Fund.

We noted the following in 2022:

- Homestead Rollbacks revenues in the amounts of \$24,631, \$25,334 and \$1,397, and \$4,512 were receipted as Property and Other Local Taxes, instead of Intergovernmental Revenues, in the General, Permissive Motor Vehicle License Tax – State, Police Pension, and Policy Levy Funds, respectively.

Audit adjustments, which were agreed by management, are reflected in the financial statements and in the accounting, records correcting the misstatement.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

Officials' Response: The Village will ensure correct classification in the future.

**VILLAGE OF SHADYSIDE
BELMONT 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)**

FINDING NUMBER 2023-002

Material Weakness: Mayor's Court Activities and On-Behalf Payments

In our audit engagement letter, as required by AU-C Section 210, 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.

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

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

Further, Auditor of State (AOS) Bulletin 2000-008 provides guidance for cash basis accounting for on-behalf funding. In short, the Bulletin indicates that when a local government enters into an on-behalf-of program agreement with another local government or the State (or the federal government, if applicable), whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

The Village did not always accurately classify receipts and disbursements to the correct account classification.

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

- Mayor's Court financial activity was not included on the Financial Statements filed in the Hinkle System, which resulted in adjustments to Ending Cash Balance in the amount of \$274, Other Non-Operating Cash Disbursements totaling \$9,368, Other Non-Operating Cash Receipts totaling \$8,782, and Beginning Cash Balance totaling \$860.
- OPWC Grant and Loan proceeds of \$271,495, and \$410,000, respectively, were recorded as miscellaneous revenues in lieu of intergovernmental and loan proceeds, respectively.

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

- Mayor's Court financial activity was not included on the Financial Statements filed in the Hinkle System, which resulted in adjustments to Ending Cash Balance in the amount of \$860, Other Non-Operating Cash Disbursements totaling \$18,840, Other Non-Operating Cash Receipts totaling \$19,135, and Beginning Cash Balance totaling \$565.
- OPWC Grant proceeds of \$118,505 paid directly to contractors for the Village water constructions were not recorded as intergovernmental revenues and their corresponding expenditures as capital outlay.

**VILLAGE OF SHADYSIDE
BELMONT 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)**

The adjustments above, with which management agrees, are reflected in the accompanying financial statements.

The Village did not have procedures in place to accurately post receipts, disbursements, and fund balance in the correct classification to the accounting system.

Not properly reporting financial activity could result in material misstatements occurring and remaining undetected and increases the risk that management would not be provided an accurate picture of the Village's financial position and operations.

The Fiscal Officer should refer to the Ohio Village Handbook, and AOS Bulletin 2000-08 for proper receipt, expenditure, fund balance classifications, and on-behalf receipts and expenditures, and take additional care in posting transactions to the Village ledgers in order to ensure the Village's year-end financial statements reflect the appropriate sources and uses of the Village's financial resources.

Officials' Response: The Village will ensure Mayor's Court activities are entered into its accounting system. On-behalf payments will be reviewed and entered as well.

FINDING NUMBER 2023-003

Non-Compliance: Prior Certification

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 for the order or contract 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 sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Rev. Code.

- A. "Then and Now" Certificate - If the chief fiscal officer can certify that both at the time the contract or order was made ("then") and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without 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.

**VILLAGE OF SHADYSIDE
BELMONT 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)**

FINDING NUMBER 2023-003 (Continued)

Non-Compliance: Prior Certification (Continued)

- A. Blanket Certificate - Fiscal Officer may prepare "blanket" certificates for a certain sum of money not to exceed 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. 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 appropriations.
- B. Super Blanket Certificate - The Village may also make expenditures and contract 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, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certificate may, but need not, be limited to a specific vendor. This certificate is noted to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any one-line item appropriation.

The Village did not properly certify the availability of funds prior to the purchase commitment for 38 out of 46 purchases or 82.61%, and 43 out of 50 or 86% of transactions tested in 2022 and 2023, respectively, and there was no evidence the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used. The Village should also implement procedures to ensure expenditure does not exceed available resources, thus avoiding negative fund balance situations and enabling the Village to properly certify the availability of funds for purchases.

Officials' Response: We will ensure funds are certified prior to expenditures.

FINDING NUMBER 2023-004

Material Weakness / Non-Compliance: Disposition of Municipal Property

Ohio Revised Code § 721.15(A) requires that, for personal property of a village with an estimated value of one thousand dollars or more, the legislative authority (Village Council) shall authorize the sale by ordinance. It further requires that the property be sold to the highest and best bidder after at least two weeks of public advertisement in a newspaper of general circulation in the village or on a public auction website.

Also, a robust system of internal control, as outlined in the standards for audits of governmental entities, requires that procedures be in place to ensure assets are safeguarded and that transactions are properly authorized and recorded. This includes formal processes for the disposal of capital assets to prevent loss, misuse, and non-compliance with laws and regulations.

**VILLAGE OF SHADYSIDE
BELMONT 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)**

FINDING NUMBER 2023-004 (Continued)

Material Weakness / Non-Compliance: Disposition of Municipal Property (Continued)

In July 2022, the Village of Shadyside's Board of Public Affairs authorized the sale of a village-owned Kubota tractor to a sitting Village Council member for \$2,800. Our review of meeting minutes and inquiries with Village officials found that:

- The Village Council did not pass an ordinance authorizing the sale of the tractor.
- The tractor was not offered for sale through a public auction or advertised for public bid.
- The transaction was arranged privately, not through a competitive process designed to yield the highest and best price.

This transaction points to a non-compliance and material weakness in the Village's internal controls over the disposal of capital assets. The Village lacks adequate policies and procedures to ensure such disposals are conducted in accordance with the Ohio Revised Code and in a transparent manner that protects the public's interest.

The Village failed to follow the statutory requirements for the disposal of public property. The lack of formally adopted and implemented policies and procedures for disposing of capital assets created an environment where an improper transaction could occur without detection or prevention. Officials proceeded with the sale without ensuring compliance with the Ohio Revised Code. The Village engaged in a transaction that was not in compliance with Ohio law. By failing to follow the prescribed public bidding process, the Village could not demonstrate that it received the highest and best price for its asset, potentially resulting in a loss of public funds. This circumvents the transparency and accountability required for the disposal of public property and exposes the Village to risks of conflicts of interest and erosion of public trust.

We recommend that the Village Council develop and formally adopt a comprehensive policy for the disposal of all capital assets. This policy must, at a minimum, incorporate all requirements of Ohio Revised Code § 721.15, including the passage of an ordinance and a formal public bidding process for any property valued at \$1,000 or more. The policy should explicitly address transactions with Village officials and employees to prevent actual or perceived conflicts of interest. The Village should provide mandatory training to all council members, officials, and relevant employees on the requirements of the newly adopted policy and the Ohio Revised Code to ensure full understanding and future compliance. The policy should require a formal process to estimate the value of property prior to its disposal to determine the correct statutory procedure to follow.

Officials' Response: We did not receive a response from officials for this finding.

**VILLAGE OF SHADYSIDE
BELMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	Material Weakness: Material misclassifications	Not Corrected	Reissued as Finding # 2023-001
2021-002	Material Weakness: Mayor's Court Postings and Loan Proceeds	Not Corrected	Reissued as Finding # 2023-002
2021-003	Non-Compliance: Public Records Policy	Corrected	N/A

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SHADYSIDE

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 7/24/2025

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
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