

VILLAGE OF WOODSFIELD
MONROE COUNTY, OHIO
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023





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

Village Council
Village of Woodsfield
221 South Main Street
Woodsfield, Ohio 43793

We have reviewed the *Independent Auditor's Report* of the Village of Woodsfield, Monroe County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2023 through December 31, 2024. 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.

The Auditor of State is conducting an investigation, which is on-going as of the date of this report. Dependent on the outcome of the investigation, results may be reported on at a later date.

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 Woodsfield 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

December 29, 2025

This page intentionally left blank.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

TABLE OF CONTENTS

| TITLE | PAGE |
|--|-------------|
| Independent Auditor's Report | 1 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types – For the Year Ended December 31, 2024 | 4 |
| Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type – For the Year Ended December 31, 2024 | 5 |
| Statement of Additions, Deletions, and Changes in Fund Balances (Regulatory Cash Basis) – Fiduciary Fund Type – For the Year Ended December 31, 2024 | 6 |
| Notes to the Financial Statements – 2024 | 7 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Type – For the Year Ended December 31, 2023 | 20 |
| Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Types – For the Year Ended December 31, 2023 | 21 |
| Statement of Additions, Deletions, and Changes in Fund Balances (Regulatory Cash Basis) – Fiduciary Fund Type – For the Year Ended December 31, 2023 | 22 |
| Notes to the Financial Statements – 2023 | 23 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 36 |
| Schedule of Findings | 38 |
| Summary Schedule of Prior Findings (Prepared by Management) | 43 |
| Corrective Action Plan (Prepared by Management) | 44 |

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

Village of Woodsfield
Monroe County
221 South Main Street
Woodsfield, Ohio 43793

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 Woodsfield, Monroe County, Ohio (the Village), which comprise the cash balances, receipts and disbursements for each governmental, proprietary and fiduciary fund type as of and for the years ended December 31, 2024 and 2023, 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, proprietary and fiduciary fund type as of and for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, or the changes in financial position or 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

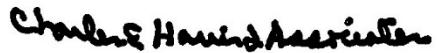
- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 27, 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.



Charles E. Harris & Associates, Inc.

June 27, 2025

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2024**

| | General | Special Revenue | Capital Projects | Permanent | Totals (Memorandum Only) |
|---|-------------------|---------------------|---------------------|---------------------|--------------------------------|
| Cash Receipts | | | | | |
| Property and Other Local Taxes | \$ 141,505 | \$ 11,336 | \$ - | \$ - | \$ 152,841 |
| Municipal Income Tax | 302,159 | 334,219 | 30,168 | - | 666,546 |
| Intergovernmental | 39,490 | 157,799 | - | - | 197,289 |
| Special Assessments | - | 55,213 | 36,737 | - | 91,950 |
| Charges for Services | 156,587 | 212,678 | - | 375 | 369,640 |
| Licenses, Permits and Fees | 300 | 190 | - | - | 490 |
| Fines, Forfeitures and Settlements | 6,623 | 1,442 | - | - | 8,065 |
| Earnings on Investments | 42,233 | 10,381 | 14,727 | 39,072 | 106,413 |
| Miscellaneous | 18,658 | 56,186 | 119,400 | - | 194,244 |
| <i>Total Cash Receipts</i> | <i>707,555</i> | <i>839,444</i> | <i>201,032</i> | <i>39,447</i> | <i>1,787,478</i> |
| Cash Disbursements | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 488,353 | 22,165 | - | - | 510,518 |
| Public Health Services | - | 116,224 | - | - | 116,224 |
| Leisure Time Activities | - | 83,855 | - | - | 83,855 |
| Community Environment | 2,475 | 17,511 | - | - | 19,986 |
| Transportation | - | 302,531 | - | - | 302,531 |
| General Government | 184,845 | 26,270 | - | - | 211,115 |
| Capital Outlay | 1,534 | 71,074 | 123,379 | - | 195,987 |
| Debt Service: | | | | | |
| Principal Retirement | - | 8,524 | - | - | 8,524 |
| Interest and Fiscal Charges | - | 3,218 | - | - | 3,218 |
| <i>Total Cash Disbursements</i> | <i>677,207</i> | <i>651,372</i> | <i>123,379</i> | <i>-</i> | <i>1,451,958</i> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <i>30,348</i> | <i>188,072</i> | <i>77,653</i> | <i>39,447</i> | <i>335,520</i> |
| Other Financing Receipts (Disbursements) | | | | | |
| Transfers In | - | 20,000 | - | - | 20,000 |
| Transfers Out | (28,000) | - | - | - | (28,000) |
| Advances In | 58,650 | - | - | - | 58,650 |
| Advances Out | - | (50,650) | - | - | (50,650) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <i>30,650</i> | <i>(30,650)</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| <i>Net Change in Fund Cash Balances</i> | <i>60,998</i> | <i>157,422</i> | <i>77,653</i> | <i>39,447</i> | <i>335,520</i> |
| <i>Fund Cash Balances, January 1 (Retated)</i> | <i>684,329</i> | <i>1,427,648</i> | <i>1,767,064</i> | <i>1,395,990</i> | <i>5,275,031</i> |
| <i>Fund Cash Balances, December 31</i> | <i>\$ 745,327</i> | <i>\$ 1,585,070</i> | <i>\$ 1,844,717</i> | <i>\$ 1,435,437</i> | <i>\$ 5,610,551</i> |

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2024**

| | <u>Proprietary Fund Type</u> |
|---|------------------------------|
| | <u>Enterprise</u> |
| Operating Cash Receipts | |
| Charges for Services | \$ 4,534,299 |
| <i>Total Operating Cash Receipts</i> | <u>4,534,299</u> |
| Operating Cash Disbursements | |
| Personal Services | 835,844 |
| Employee Fringe Benefits | 326,033 |
| Contractual Services | 1,962,952 |
| Supplies and Materials | 420,642 |
| Other | <u>9,740</u> |
| <i>Total Operating Cash Disbursements</i> | <u>3,555,211</u> |
| <i>Operating Income (Loss)</i> | 979,088 |
| Non-Operating Receipts (Disbursements) | |
| Special Assessments | 1,393 |
| Earnings on Investments | 863 |
| Loans Issued | 104,700 |
| Miscellaneous Receipts | 9,035 |
| Capital Outlay | (293,123) |
| Principal Retirement | (577,544) |
| Interest and Other Fiscal Charges | <u>(39,864)</u> |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <u>(794,540)</u> |
| <i>Income (Loss) before Advances and Transfers</i> | 184,548 |
| Transfers In | 8,000 |
| Advances Out | <u>(8,000)</u> |
| <i>Net Change in Fund Cash Balances</i> | 184,548 |
| <i>Fund Cash Balances, January 1 (Restated)</i> | <u>3,496,767</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 3,681,315</u> |

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2024**

| | Custodial |
|--|-----------------|
| Additions | |
| Fines, Licenses and Permits for Distribution | <u>\$ 8,981</u> |
| <i>Total Additions</i> | <u>8,981</u> |
| Deductions | |
| Distributions to Other Governments | 1,720 |
| Distributions to Other Funds | <u>7,255</u> |
| <i>Total Deductions</i> | <u>8,975</u> |
| Net Change in Fund Balances | 6 |
| <i>Fund Cash Balances, January 1</i> | <u>15</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 21</u> |

The notes to the financial statements are an integral part of this statement.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Village of Woodsfield (the Village), Monroe 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, electric, park operations, cemetery services and police services to over 2,400 residents. The Village contracts with Woodsfield Volunteer Fire Department to receive fire protection services. The Village appropriates General Fund money to partially support the Woodsfield Volunteer Fire Department, providing administration of its levy funds and grant awards.

Joint Ventures and Public Entity Risk Pools

The Village participates in the Public Entities Pool of Ohio (PEP) and Ohio Municipal League Group Rating Plan (GRP), both are public entity risk pools. To provide electric service to the citizens, the Village is a member of the Ohio Municipal Electric Generation Agency (OMEGA) Joint Venture. Notes 6, 10 and 12 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, a statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type and a 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 Protection Service The fund is used for purchasing fire equipment and supplies.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Capital Projects 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 projects fund:

Municipal Building Fund The fund is used to pay for maintenance, repair and/ or improvement of the Village's municipal building.

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

Brague Endowment Fund This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Oaklawn Cemetery.

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

Electric Operating Fund The fund receives revenue from the sale of electricity to municipal electric customers, both commercial and resident, and charges for services to customers.

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

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

Light Improvement/EMG Fund The fund accounts for the provision of improvements and emergency issues for the electric services to the residents and commercial users within the Village.

Fiduciary Funds Fiduciary funds include custodial funds. 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 activity of the Mayor's Court. This fund receives fines and forfeitures from police department citations. These monies are divided between the Village, County and the State, as prescribed by law.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2024 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.

The Village values certificates of deposit at cost and mortgage-backed securities and common stock at fair market value.

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.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Accumulated Leave

Village employees earn leave time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

SBITAs

The Village has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems. Subscription disbursements are recognized when they are paid.

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

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

Committed Council can *commit* amounts via formal action (resolution or ordinance). The Village must adhere to these commitments unless the Council amends the resolution or ordinance. 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.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

| 2024 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|------------|------------|--------------|
| Fund Type | Budgeted | Actual | Variance |
| | Receipts | Receipts | |
| General | \$ 983,184 | \$ 707,555 | \$ (275,629) |
| Special Revenue | 777,488 | 859,444 | 81,956 |
| Capital Projects | 1,099,400 | 201,032 | (898,368) |
| Permanent | 12,350 | 39,447 | 27,097 |
| Enterprise | 4,315,438 | 4,650,290 | 334,852 |

| 2024 Budgeted vs. Actual Budgetary Basis Disbursements | | | |
|--|---------------|---------------|------------|
| Fund Type | Budgetary | Appropriation | Variance |
| | Disbursements | Authority | |
| General | \$ 711,209 | \$ 1,436,542 | \$ 725,333 |
| Special Revenue | 654,585 | 895,148 | 240,563 |
| Capital Projects | 123,379 | 622,000 | 498,621 |
| Permanent | - | 300 | 300 |
| Enterprise | 4,477,580 | 4,649,543 | 171,963 |

Contrary to Ohio Revised Code the Village did not properly encumber all disbursements before the invoice date.

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The Village also has a segregated account which includes a clearing account that are not part of this pool. A summary of the Village's deposit and investment accounts are as follows:

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 4 – Deposits and Investments (Continued)

| | 2024 |
|---|----------------------------|
| <i>Cash Management Pool:</i> | |
| Demand deposits | \$ 7,497,382 |
| Total deposits | <u>7,497,382</u> |
| Other Investment types (Electric) | 411,571 |
| Various securities, including mutual funds (Brague) | 1,304,158 |
| Foundation for Appalachian Ohio | <u>78,776</u> |
| Total investments | <u>1,794,505</u> |
| <i>Total carrying amount of deposits and investments held in the Pool</i> | <u>9,291,887</u> |
| <i>Segregated Accounts - Not held in the Pool:</i> | |
| Clearing - Utility Account | <u>11,953</u> |
| <i>Total Segregated Accounts - Not held in the Pool</i> | <u>11,953</u> |
| Total Deposits and Investments | <u>\$ 9,303,840</u> |

The Village has a utility clearing account that is held outside of the deposit pool where utility collections are held for distribution. The balance in the Village's utility clearing account represent unremitted utility collections due to the Village enterprise funds.

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

A financial institution's trust department holds the Village's equity securities in book-entry form in the Village's name. Investments in mutual funds are not evidenced by securities that exist in physical or book-entry form.

At December 31, 2024, the Village's investment broker held \$639,548 in mutual funds dealing in common stock, certain bonds and other municipal securities as part of the Brague Endowment and Foundation for Appalachian Ohio Funds. This was the fair market value of the investments at December 31, 2024. Mutual funds dealing in common stock, certain bonds and other municipal securities are not an eligible investment for the Village under Ohio law.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Note 6 – 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: (Most Current Information Available)

| | 2023 |
|-----------------------|---------------|
| Cash and Investments | \$ 43,996,442 |
| Actuarial Liabilities | \$ 19,743,401 |

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 6 – Risk Pool Membership (Continued)

Workers' Compensation

The Village participates in a group rating plan with the Ohio Municipal League to provide Worker's Compensation Coverage through the State of Ohio Bureau of Worker's Compensation. Monthly installments are made toward an annual premiums. See Note 10 for additional information.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2024.

Social Security

Village Council members 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, 2024.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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 2024, 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 2024, 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, 2024, was as follows:

| | Principal | Interest Rate |
|---|----------------------------|---------------|
| OPWC Loan | \$ 170,125 | 0.00% - 2.00% |
| OWDA | 1,051,013 | 0.00% - 4.50% |
| General Obligation Notes | 79,589 | 3.75% - 3.95% |
| Sanitary Sewer Revenue Bonds - USDA | 1,084,000 | 1.75% |
| Water Revenue Bonds - USDA | 852,701 | 1.63% |
| Equipment Acquisition Bonds, Series 2020 - USDA | 9,600 | 2.38% |
| Total | <u>\$ 3,247,028</u> | |

The Ohio Public Works Commission (OPWC) loans relate to the water line, sewer line, and water and sewer plan improvement projects the Ohio Environmental Protection Agency mandated. The Village repays OPWC loans in semiannual installments. Water and sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Water Development Authority (OWDA) loans related to various waterline extension projects and the purchase of a lake. The Village repays the loans in semiannual installments. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Village issued general obligation notes to finance a John Deere backhoe, the Oaklawn (BMW) property, and a Ford F-450. The Village's taxing authority collateralized all of the notes listed herein.

The Village issued Sanitary Sewer System Revenue Bonds through the United States Department of Agriculture (USDA) in the amount of \$1,171,000 for the long-term control plan – Sewer Separation Project. The Village issued Water Revenue Bonds through the USDA in the amount of \$904,000 for the Water Improvement Project. The Village issued \$15,300 in Equipment Acquisition Bonds through USDA for the purpose of acquiring a skid steer. Water receipts collateralize these bonds.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt (Continued)

Amortization

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

| Year Ending December 31: | OPWC | OWDA Loan | General Obligation Notes | Bonds |
|-----------------------------|-------------------|---------------------|--------------------------------|---------------------|
| 2025 | \$ 29,434 | \$ 79,286 | \$ 11,742 | \$ 64,948 |
| 2026 | 29,434 | 79,286 | 11,742 | 64,948 |
| 2027 | 29,434 | 79,286 | 11,742 | 64,948 |
| 2028 | 18,452 | 79,286 | 11,742 | 64,948 |
| 2029 | 18,452 | 78,286 | 11,742 | 64,948 |
| 2030-2034 | 55,356 | 396,430 | 23,484 | 324,740 |
| 2035-2039 | - | 396,430 | - | 324,740 |
| 2040-2044 | - | - | - | 324,740 |
| 2045-2049 | - | - | - | 324,740 |
| 2050-2054 | - | - | - | 324,740 |
| 2055-2059 | - | - | - | 129,896 |
| Total | <u>\$ 180,562</u> | <u>\$ 1,188,290</u> | <u>\$ 82,194</u> | <u>\$ 2,078,336</u> |

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 3,000 kilowatts of a total 771,281 kilowatts, giving the Village a .39 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014, legal ruling, the AMP Board of Trustees on April 15, 2014, and the AMPGS participants on April 16, 2014, approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share at March 31, 2014, of the impaired costs is \$518,407. The Village received a credit of \$201,491 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$135,675 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$128,667. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village's payments. These amounts will be recorded as they become estimable.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 10 – Public Entity Risk Pool

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

Note 11 – 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 unexpended corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

| Fund Balances | Special | | | Total |
|--------------------------|-------------------|-----------------|---------------------|---------------------|
| | General | Revenue | Permanent | |
| Nonspendable: | | | | |
| Unclaimed Monies | \$ 109,399 | \$ - | \$ - | \$ 109,399 |
| Corpus | - | - | 1,358,912 | 1,358,912 |
| Outstanding Encumbrances | 6,002 | 3,213 | - | 9,215 |
| <i>Total</i> | <u>\$ 115,401</u> | <u>\$ 3,213</u> | <u>\$ 1,358,912</u> | <u>\$ 1,477,526</u> |

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds is restricted, committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, capital projects and permanent funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – American Municipal Power Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village's Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. Summary financial information for the Electric Fund is presented below:

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 12 – AMP Revenue Coverage (Continued)

| | 2024 |
|---|-------------------|
| Total Fund Cash Balance | \$ 517,455 |
| Total Long-Term Debt | \$ - |
| Condensed Operating Information: | |
| Operating Receipts | |
| Charges for Services | \$ 2,641,723 |
| Total Operating Receipts | <u>2,641,723</u> |
| Operating Expenses | |
| Personal Services | 313,622 |
| Employee Fringe Benefits | 136,671 |
| Contractual Services | 1,797,182 |
| Supplies and Materials | 94,063 |
| Other | 8,845 |
| Total Operating Expenses | <u>2,350,383</u> |
| Operating Income (Loss) | 291,340 |
| Nonoperating Receipts (Disbursements) | |
| Special Assessments | 915 |
| Miscellaneous Receipts | 3,760 |
| Principal Payments | (441,210) |
| Interest Payments | (2,530) |
| Other Financing Uses | (760) |
| Total Other Nonoperating Receipts (Disbursements) | <u>(439,825)</u> |
| Change in Fund Cash Balance | (148,485) |
| Beginning Fund Cash Balance | 665,940 |
| Ending Fund Cash Balance | <u>\$ 517,455</u> |

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 12 – AMP Revenue Coverage (Continued)

| Condensed Cash Flows Information: | <u>2024</u> |
|--|-------------------|
| Net Cash Provided (Used) by: | |
| Operating Activities | \$ 291,340 |
| Noncapital Financing Activities | |
| Other Noncapital Financing Activities | 3,915 |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>3,915</u> |
| Capital and Related Financing Activities | |
| Principal Payments on Capital and Related Debt | (441,210) |
| Interest Payments on Capital and Related Debt | <u>(2,530)</u> |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(443,740)</u> |
| Net Increase (Decrease) | (148,485) |
| Beginning Fund Cash Balance (Restated) | 665,940 |
| Ending Fund Cash Balance | <u>\$ 517,455</u> |

Note 13 - Fund Balance Restatement

The Fiscal Officer voided outstanding check in 2024 that were issued in the years prior to 2024.

| | General Fund | Special Revenue Fund | Enterprise Fund |
|---|-------------------|----------------------|---------------------|
| December 31, 2023 Fund Balance | \$ 683,177 | \$ 1,427,627 | \$ 3,489,882 |
| Change due to voiding outstanding reconciling items | 1,152 | 21 | 6,885 |
| December 31, 2023 Restated Fund Balance | <u>\$ 684,329</u> | <u>\$ 1,427,648</u> | <u>\$ 3,496,767</u> |

**VILLAGE OF WOODSFIELD
MONROE 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 | Permanent | Totals (Memorandum Only) |
|---|-------------------|---------------------|---------------------|---------------------|--------------------------------|
| Cash Receipts | | | | | |
| Property and Other Local Taxes | \$ 138,628 | \$ 11,479 | \$ - | \$ - | \$ 150,107 |
| Municipal Income Tax | 322,570 | 357,696 | 34,193 | - | 714,459 |
| Intergovernmental | 65,041 | 273,638 | - | - | 338,679 |
| Special Assessments | - | 43,788 | 44,072 | - | 87,860 |
| Charges for Services | 151,576 | 206,876 | - | 270 | 358,722 |
| Fines, Licenses and Permits | 5,468 | 923 | - | - | 6,391 |
| Earnings on Investments | 43,098 | 9,053 | 3,561 | 56,064 | 111,776 |
| Miscellaneous | 22,602 | 173,481 | 194,684 | - | 390,767 |
| <i>Total Cash Receipts</i> | <i>748,983</i> | <i>1,076,934</i> | <i>276,510</i> | <i>56,334</i> | <i>2,158,761</i> |
| Cash Disbursements | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 483,510 | 33,528 | - | - | 517,038 |
| Public Health Services | - | 84,353 | - | - | 84,353 |
| Leisure Time Activities | - | 84,098 | - | - | 84,098 |
| Community Environment | 933 | 1,990 | - | - | 2,923 |
| Transportation | - | 266,656 | - | - | 266,656 |
| General Government | 203,416 | 29,866 | - | - | 233,282 |
| Capital Outlay | 1,000 | 298,505 | 67,839 | - | 367,344 |
| Debt Service: | | | | | |
| Principal Retirement | - | 15,533 | - | - | 15,533 |
| Interest and Fiscal Charges | - | 3,608 | - | - | 3,608 |
| <i>Total Cash Disbursements</i> | <i>688,859</i> | <i>818,137</i> | <i>67,839</i> | <i>-</i> | <i>1,574,835</i> |
| <i>Net Change in Fund Cash Balances</i> | <i>60,124</i> | <i>258,797</i> | <i>208,671</i> | <i>56,334</i> | <i>583,926</i> |
| <i>Fund Cash Balances, January 1 (Restated)</i> | <i>623,053</i> | <i>1,168,830</i> | <i>1,558,393</i> | <i>1,339,656</i> | <i>4,689,932</i> |
| <i>Fund Cash Balances, December 31</i> | <i>\$ 683,177</i> | <i>\$ 1,427,627</i> | <i>\$ 1,767,064</i> | <i>\$ 1,395,990</i> | <i>\$ 5,273,858</i> |

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**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> |
|---|------------------------------|
| Operating Cash Receipts | <u>Enterprise</u> |
| Charges for Services | <u>\$ 4,296,367</u> |
| <i>Total Operating Cash Receipts</i> | <u>4,296,367</u> |
| Operating Cash Disbursements | |
| Personal Services | 762,137 |
| Employee Fringe Benefits | 287,697 |
| Contractual Services | 2,021,121 |
| Supplies and Materials | 342,840 |
| Other | <u>10,569</u> |
| <i>Total Operating Cash Disbursements</i> | <u>3,424,364</u> |
| <i>Operating Income (Loss)</i> | 872,003 |
| Non-Operating Receipts (Disbursements) | |
| Special Assessments | 3,592 |
| Earnings on Investments | 2,350 |
| Miscellaneous Receipts | 12,439 |
| Loan Proceeds | 274,750 |
| Capital Outlay | (352,888) |
| Principal Retirement | (269,262) |
| Interest and Other Fiscal Charges | <u>(71,037)</u> |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <u>(400,056)</u> |
| <i>Net Change in Fund Cash Balances</i> | 471,947 |
| <i>Fund Cash Balances, January 1</i> | <u>3,017,935</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 3,489,882</u> |

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Custodial |
|--|--------------|
| Additions | |
| Fines, Licenses and Permits for Distribution | \$ 7,236 |
| <i>Total Additions</i> | <u>7,236</u> |
| Deductions | |
| Distributions to Other Governments | 1,300 |
| Distributions to Other Funds | 5,936 |
| <i>Total Deductions</i> | <u>7,236</u> |
| Net Change in Fund Balances | - |
| <i>Fund Cash Balances, January 1</i> | <u>15</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 15</u> |

The notes to the financial statements are an integral part of this statement.

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

Note 1 – Reporting Entity

The Village of Woodsfield (the Village), Monroe 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, electric, park operations, cemetery services and police services to over 2,400 residents. The Village contracts with Woodsfield Volunteer Fire Department to receive fire protection services. The Village appropriates General Fund money to partially support the Woodsfield Volunteer Fire Department, providing administration of its levy funds and grant awards.

Joint Ventures and Public Entity Risk Pools

The Village participates in the Public Entities Pool of Ohio (PEP) and Ohio Municipal League Group Rating Plan (GRP), both are public entity risk pools. To provide electric service to the citizens, the Village is a member of the Ohio Municipal Electric Generation Agency (OMEGA) Joint Venture. Notes 6, 10 and 12 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, a statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type and a 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 Protection Service The fund is used for purchasing fire equipment and supplies.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Capital Projects 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 projects fund:

Municipal Building Fund The fund is used to pay for maintenance, repair and/ or improvement of the Village's municipal building.

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

Brague Endowment Fund This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Oaklawn Cemetery.

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

Electric Operating Fund The fund receives revenue from the sale of electricity to municipal electric customers, both commercial and resident, and charges for services to customers.

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

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

Light Improvement/EMG Fund The fund accounts for the provision of improvements and emergency issues for the electric services to the residents and commercial users within the Village.

Fiduciary Funds Fiduciary funds include custodial funds. 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 activity of the Mayor's Court. This fund receives fines and forfeitures from police department citations. These monies are divided between the Village, County and the State, as prescribed by law.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

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.

The Village values certificates of deposit at cost and mortgage-backed securities and common stock at fair market value.

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.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Accumulated Leave

Village employees earn leave time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

SBITAs

The Village has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems. Subscription disbursements are recognized when they are paid.

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

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

Committed Council can *commit* amounts via formal action (resolution or ordinance). The Village must adhere to these commitments unless the Council amends the resolution or ordinance. 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.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – 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 | \$ 689,184 | \$ 748,983 | \$ 59,799 |
| Special Revenue | 751,260 | 1,076,934 | 325,674 |
| Capital Projects | 1,099,400 | 276,510 | (822,890) |
| Permanent | 12,350 | 56,334 | 43,984 |
| Enterprise | 4,315,438 | 4,589,498 | 274,060 |

| 2023 Budgeted vs. Actual Budgetary Basis Disbursements | | | |
|--|------------|---------------|------------|
| Fund Type | Budgetary | Appropriation | Variance |
| | Authority | Disbursements | |
| General | \$ 842,421 | \$ 692,975 | \$ 149,446 |
| Special Revenue | 1,069,660 | 820,033 | 249,627 |
| Capital Projects | 688,000 | 67,839 | 620,161 |
| Permanent | 1,246 | - | 1,246 |
| Enterprise | 4,881,379 | 4,126,115 | 755,264 |

Contrary to Ohio Revised Code the Village did not properly encumber all disbursements before the invoice date.

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The Village also has a segregated account which includes a clearing account that are not part of this pool. A summary of the Village's deposit and investment accounts are as follows:

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

Note 4 – Deposits and Investments (Continued)

| | <u>2023</u> |
|---|----------------------------|
| <i>Cash Management Pool:</i> | |
| Demand deposits | \$ 7,069,759 |
| Total deposits | <u>7,069,759</u> |
| | |
| Other Investment types (Electric/Royalties) | 406,867 |
| Various securities, including mutual funds (Brague) | 1,214,807 |
| Foundation for Appalachian Ohio | 72,322 |
| Total investments | <u>1,693,996</u> |
| <i>Total carrying amount of deposits and investments held in the Pool</i> | <u>8,763,755</u> |
| | |
| <i>Segregated Accounts - Not held in the Pool:</i> | |
| Clearing - Utility Account | <u>54,245</u> |
| <i>Total Segregated Accounts - Not held in the Pool</i> | <u>54,245</u> |
| | |
| Total Deposits and Investments | <u>\$ 8,818,000</u> |

The Village has a utility clearing account that is held outside of the deposit pool where utility collections are held for distribution. The balance in the Village's utility clearing account represent unremitted utility collections due to the Village enterprise funds.

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

A financial institution's trust department holds the Village's equity securities in book-entry form in the Village's name. Investments in mutual funds are not evidenced by securities that exist in physical or book-entry form.

At December 31, 2023, the Village's investment broker held \$899,535 in mutual funds dealing in common stock, certain bonds and other municipal securities as part of the Brague Endowment and Foundation for Appalachian Ohio Funds. This was the fair market value of the investments at December 31, 2023. Mutual funds dealing in common stock, certain bonds and other municipal securities are not an eligible investment for the Village under Ohio law.

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

Note 5 – Taxes

Property Taxes

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

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 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Note 6 – 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:

| | 2023 |
|-----------------------|---------------|
| Cash and Investments | \$ 43,996,442 |
| Actuarial Liabilities | \$ 19,743,401 |

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

Note 6 – Risk Pool Membership (Continued)

Workers' Compensation

The Village participates in a group rating plan with the Ohio Municipal League to provide Worker's Compensation Coverage through the State of Ohio Bureau of Worker's Compensation. Monthly installments are made toward an annual premiums. See Note 10 for additional information.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

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

Ohio Police and Fire Retirement System

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

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

Social Security

Village Council members 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.

Village of Woodsfield, Ohio
Monroe County
Notes to the Financial Statements
For the Year Ended 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:

| | Principal | Interest Rate |
|---|----------------------------|---------------|
| AMP - Electric Loan | \$ 441,210 | 2% |
| OPWC Loan | 198,770 | 0.00% - 2.00% |
| OWDA | 1,010,822 | 0.00% - 4.50% |
| General Obligation Notes | 88,113 | 3.75% - 3.95% |
| Sanitary Sewer Revenue Bonds - USDA | 1,106,300 | 1.75% |
| Water Revenue Bonds - USDA | 872,081 | 1.63% |
| Equipment Acquisition Bonds, Series 2020 - USDA | 11,100 | 2.38% |
| Total | <u>\$ 3,728,396</u> | |

The prior year ending principal balance in the debt note was understated by \$30,900 in the USDA Loans so the prior principal debt balance should have been \$3,738,441.

The Ohio Public Works Commission (OPWC) loans relate to the water line, sewer line, and water and sewer plan improvement projects the Ohio Environmental Protection Agency mandated. The Village repays OPWC loans in semiannual installments. Water and sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Water Development Authority (OWDA) loans related to various waterline extension projects and the purchase of a lake. The Village repays the loans in semiannual installments. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Village issued Sanitary Sewer System Revenue Bonds through the United States Department of Agriculture (USDA) in the amount of \$1,171,000 for the long-term control plan – Sewer Separation Project. The Village issued Water Revenue Bonds through the USDA in the amount of \$904,000 for the Water Improvement Project. The Village issued \$15,300 in Equipment Acquisition Bonds through USDA for the purpose of acquiring a skid steer. Water receipts collateralize these bonds.

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

Note 9 – Debt (Continued)

The Village issued general obligation notes to finance a John Deere backhoe, the Oaklawn (BMW) property, and a Ford F-450. The Village's taxing authority collateralized all of the notes listed herein.

The Village issued a bond anticipation note (BAN) to pay off debt owed for construction of the electric system substation and major repairs from a transformer fire in 2016. The Village repays AMP in monthly installments of \$6,250 through 2023 and then a balloon payment in 2024 for the payoff. The loan is a variable rate loan.

Amortization

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

| Year Ending December 31: | OPWC | OWDA Loan | General Obligation Notes | Bonds | AMP Ohio |
|-----------------------------|-------------------|---------------------|--------------------------------|---------------------|-------------------|
| 2024 | \$ 32,135 | \$ 79,286 | \$ 11,742 | \$ 64,948 | \$ 443,740 |
| 2025 | 32,135 | 79,286 | 11,742 | 64,948 | - |
| 2026 | 32,135 | 79,286 | 11,742 | 64,948 | - |
| 2027 | 32,135 | 79,286 | 11,742 | 64,948 | - |
| 2028 | 70,230 | 79,286 | 11,742 | 64,948 | - |
| 2029-2033 | 18,452 | 396,430 | 35,226 | 324,740 | - |
| 2034-2038 | - | 396,430 | - | 324,740 | - |
| 2039-2043 | - | 79,286 | - | 324,740 | - |
| 2044-2048 | - | - | - | 324,740 | - |
| 2049-2053 | - | - | - | 324,740 | - |
| 2054-2058 | - | - | - | 194,844 | - |
| Total | <u>\$ 217,222</u> | <u>\$ 1,268,576</u> | <u>\$ 93,936</u> | <u>\$ 2,143,284</u> | <u>\$ 443,740</u> |

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 3,000 kilowatts of a total 771,281 kilowatts, giving the Village a .39 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014, legal ruling, the AMP Board of Trustees on April 15, 2014, and the AMPGS participants on April 16, 2014, approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share at March 31, 2014, of the impaired costs is \$518,407. The Village received a credit of \$201,491 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$135,675 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$128,667. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village's payments. These amounts will be recorded as they become estimable.

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

Note 10 – Public Entity Risk Pool

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

Note 11 – 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 unexpended corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

| Fund Balance | Special | | | Total |
|--------------------------|-------------------|-----------------|---------------------|---------------------|
| | General | Revenue | Permanent | |
| Nonspendable: | | | | |
| Unclaimed Monies | \$ 109,399 | \$ - | \$ - | \$ 109,399 |
| Corpus | - | - | 1,358,912 | 1,358,912 |
| Outstanding Encumbrances | 4,116 | 1,896 | - | 6,012 |
| <i>Total</i> | <u>\$ 113,515</u> | <u>\$ 1,896</u> | <u>\$ 1,358,912</u> | <u>\$ 1,474,323</u> |

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects fund is restricted, committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, capital projects and permanent funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – American Municipal Power Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village's Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. Summary financial information for the Electric Fund is presented below:

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

Note 12 – AMP Revenue Coverage (Continued)

| | 2023 |
|---|-------------------|
| Total Fund Cash Balance | \$ 665,940 |
| Total Long-Term Debt | \$ 441,210 |
| Condensed Operating Information: | |
| Operating Receipts | |
| Charges for Services | \$ 2,424,543 |
| Total Operating Receipts | <u>2,424,543</u> |
| Operating Expenses | |
| Personal Services | 272,444 |
| Employee Fringe Benefits | 125,784 |
| Contractual Services | 1,907,779 |
| Supplies and Materials | 94,507 |
| Other | <u>10,221</u> |
| Total Operating Expenses | <u>2,410,735</u> |
| Operating Income (Loss) | 13,808 |
| Nonoperating Receipts (Disbursements) | |
| Special Assessments | 1,580 |
| Miscellaneous Receipts | 3,933 |
| Principal Payments | (75,000) |
| Interest Payments | <u>(28,500)</u> |
| Total Other Nonoperating Receipts (Disbursements) | <u>(97,987)</u> |
| Change in Fund Cash Balance | (84,179) |
| Beginning Fund Cash Balance | 750,119 |
| Ending Fund Cash Balance | <u>\$ 665,940</u> |

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

Note 12 – AMP Revenue Coverage (Continued)

| Condensed Cash Flows Information: | 2023 |
|--|-------------------|
| Net Cash Provided (Used) by: | |
| Operating Activities | \$ 13,808 |
| Noncapital Financing Activities | |
| Other Noncapital Financing Activities | 5,513 |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>5,513</u> |
| Capital and Related Financing Activities | |
| Principal Payments on Capital and Related Debt | (75,000) |
| Interest Payments on Capital and Related Debt | <u>(28,500)</u> |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(103,500)</u> |
| Net Increase (Decrease) | (84,179) |
| Beginning Fund Cash Balance | 750,119 |
| Ending Fund Cash Balance | <u>\$ 665,940</u> |

Note 13 – Interfund Balances

Outstanding advances at December 31, 2023, consisted of the following:

| Fund | Amount |
|---|------------------|
| Parks and Recreation Fund | \$ 27,000 |
| Street, Construction, Maintenance and Repair Fund | 23,500 |
| Drug Law Enforcement Fund | 150 |
| Sewer Operating Fund | <u>8,000</u> |
| Total | <u>\$ 58,650</u> |

Note 14 - Fund Balance Restatement

The beginning of fund balance in General Fund was restated by \$109,399 to account for unclaimed monies.

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

Village of Woodsfield
Monroe County
221 South Main Street
Woodsfield, Ohio 43793

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, proprietary and fiduciary fund type of the Village of Woodsfield, Monroe County, (the Village) as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, and have issued our report thereon dated June 27, 2025, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 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 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 a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2024-004 that we consider to be a material weakness.

*Village of Woodsfield
Monroe 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*, which are described in the accompanying Schedule of Findings as items 2024-001 through 2024-003.

We also noted a certain other matter not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 27, 2025.

Village's Responses 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 Corrective Action Plan. 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

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.

Charles E. Harris & Associates, Inc.

June 27, 2025

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

FINDING 2024-001 – Noncompliance

Investing in Unallowable Securities

Article VIII, §§ 4 and 6 of the Ohio Constitution prohibit a public body from becoming a “stockholder in any joint stock company, corporation or association.”

On June 18, 2018, Village Council passed Ordinance 1236-2018 to specify procedures for the maintenance of privately contributed funds and to clarify the parameters of the management and investment of such privately contributed funds regarding the municipal investment and capitalization policy. This ordinance is clarifying the Village's existing investment policy legislated through Ordinance 1097-09 passed on January 20, 2009 in regards to the investment of privately contributed funds, such as the Village's Brague Endowment Fund. Ordinance 1236-2018 specifically includes without limitation the authorization of consideration of investment in common stocks.

While Village Council has taken proactive steps in monitoring the investment activity of the Brague Endowment Fund monies by passing the above noted ordinance, unless the common stock was originally donated to the Village the Ohio Constitution prohibits a public body from becoming a stockholder in a private company.

The Village's investment broker, who handles the investment of the monies held in the Village's Brague Endowment Fund (a permanent trust fund), invested part of these monies in various mutual funds dealing in common stocks, certain bonds and other municipal securities during 2024 and 2023. The fair market value of the Village's investments in mutual funds investing in common stocks at December 31, 2024 was \$639,548 or 46% and at December 31, 2023 was \$899,535, or 70%, of the Village's investment account for the Brague endowment. The Village also reported the investments at fair market value instead of cost.

Village Council should contact their investment broker and consider liquidating mutual funds dealing in common stocks, certain bonds and other municipal securities and reinvesting the proceeds in eligible investments in compliance with Article VIII, §§ 4 and 6 of the Ohio Constitution and their investment policy. The Village should also report the assets value at cost in conformity with the AOS Regulatory Cash basis of presentation.

Management's Response: See Corrective Action Plan.

FINDING 2024-002 – Noncompliance

Approved Appropriations Matching Accounting System

Ohio Admin. Code § 117-2-02-(C) (1) requires all local public offices to integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system in order to effectively maintain the accounting and budgetary records. This means designing an accounting system to provide ongoing and timely information of appropriations.

The Village did not have a control procedure in place to ensure that appropriations, as authorized by the County Auditor, were reconciled to the appropriations posted to the accounting system for 2024 and 2023. This resulted in incorrect amounts posted to the accounting system and information available to Village officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate. The budgetary footnote reflects all adjustments.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**SCHEDULE OF FINDINGS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

FINDING 2024-002 – Noncompliance (Continued)

Approved Appropriations Matching Accounting System (Continued)

| 2024 Fund | Posted in the Accounting System | | Approved by Resolution | | Variance |
|--|------------------------------------|-----------|---------------------------|-----------|--------------|
| | \$ | | \$ | | |
| General Fund | \$ | 1,125,804 | \$ | 1,432,426 | \$ (306,622) |
| Street Construction, Maintenance, and Repair | | 329,857 | | 23,500 | 306,357 |
| Parks and Recreation | | 111,555 | | 83,175 | 28,380 |
| Drug and Law Enforcement | | 1,000 | | 850 | 150 |
| Brague Endowment Fund | | 22,396 | | 100 | 22,296 |
| Water Operating | | 732,469 | | 729,282 | 3,187 |
| Sewer Operating | | 487,762 | | 479,762 | 8,000 |
| Electric Operating Fund | | 2,823,275 | | 2,696,855 | 126,420 |
| 2023 Fund | Posted in the Accounting System | | Approved by Resolution | | Variance |
| LTCP - Storm Sewer Separation Project | \$ | 274,750 | \$ | 132,550 | \$ 142,200 |

We recommend the Village implement procedures to ensure appropriations are accurately posted to the accounting system and reconciled to the amounts approved by the Council after each amendment.

Management's Response: See Corrective Action Plan.

FINDING 2024-003 – Noncompliance

Certifying the Availability of Funds

Ohio Revised Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision's fiscal officer need sign the certificate. Every 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 a fiscal officer'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 Revised Code.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**SCHEDULE OF FINDINGS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

FINDING 2024-003 – Noncompliance (Continued)

Certifying the Availability of Funds (Continued)

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that 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 taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the 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 an ordinance or resolution 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 taxing authority.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by an ordinance or resolution 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 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, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only 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 purchase commitment for 96% and 86% and of the expenditures tested for 2024 and 2023; respectively.

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 assure that 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, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, "then and now" certification should be used.

Management's Response: See Corrective Action Plan.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**SCHEDULE OF FINDINGS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

FINDING 2024-004 - Material Weakness

Financial Reporting - Posting Receipts and Disbursements

The Village should have procedures and controls in place to prevent and detect errors in financial reporting. During 2024 and 2023, receipts and disbursements were not always posted or classified correctly. The following posting errors were noted:

For 2024

- Homestead and Rollback of \$3,786 was posted to the Property and Other Local Taxes Line Items instead of Intergovernmental line item;
- Electric utility collections of \$124,062 were posted to Property and Other Local Taxes line item instead of Charges for Services line item;
- There was \$22,196 of investment losses recorded a Other Financing Uses Expense instead of Gain/(Losses) on Investments in the Permanent Fund;
- A Nature Works Grant from the State of Ohio and donations were reported as Other-Other Financing Sources in the Parks and Recreation Fund for \$20,129 instead of Intergovernmental of \$11,482 and Miscellaneous of \$8,647;
- Principal and interest payments on Village debt was incorrectly posted;
- Mayor's court fines and fees receipts and distribution were not posted to the accounting records in the Custodial fund and the Custodial fund was not included in the Hinkle filing;
- The Police Fund was funded by a General Fund Transfer but was included with the Special Revenue Funds for reporting purposes instead of the General Fund; and
- The Unclaimed Monies Fund was reported as a Fiduciary Fund instead of being reported with the General Fund.

For 2023

- The Village received funding from a government agency of \$2,417 and it was posted to the Other Miscellaneous – Non-Operating line item instead of the Intergovernmental line item;
- There was \$32,190 of investment losses recorded a Other Financing Uses Expense instead of Earnings on Investments in the Permanent Fund;
- A Nature Works Grant from the State of Ohio and donations were reported as Other-Other Financing Sources in the Parks and Recreation Fund for \$25,198 instead of Intergovernmental of \$18,023 and Other - Miscellaneous Operating of \$7,175;
- Electric utility collections of \$270,318 were posted to Property and Other Local Taxes line item instead of Charges for Services line item;
- Principal and interest payments on Village debt was incorrectly posted;
- Mayor's court fines and fees receipts and distribution were not posted to the accounting records in the Custodial fund and the Custodial fund was not included in the Hinkle filing; and
- The Unclaimed Monies Fund was reported as a Fiduciary Fund instead of being reported with the General Fund.

Not posting receipts and disbursements correctly resulted in the financial statements requiring reclassification and adjusting entries. The financial statements and Village's records reflect all reclassifications and adjustments noted above.

There were \$11,953 and \$54,245 of utility deposits in 2024 and 2023, respectively that were included in the segregated utility account, however should have been included as Charges for Services revenue and fund balances. These amounts were not corrected in the financial statements since immaterial.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**SCHEDULE OF FINDINGS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

FINDING 2024-004- Material Weakness (Continued)

Financial Reporting - Posting Receipts and Disbursements (Continued)

Also, during 2024 and 2023 aspects of the notes to the financial statements were corrected from the Hinkle filing to agree to the financial statements in the audit report and to include all necessary note disclosures. We made corrections to the following note disclosures:

- Deposits and Investments
- Risk Management
- Fund Balances
- Debt
- American Municipal Power Revenue Coverage
- Significant Accounting Policies

We recommend the Fiscal Officer refer to the Village Officers' Handbook, Uniform Accounting Network (UAN) Manual and Other Auditor of State guidance to determine the proper establishment of disbursement accounts and proper posting. Also, to help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements and notes to the financial statements. Such review should include procedures to ensure that all receipts and disbursements are properly identified and classified on the financial statements. We recommend the Village use the most current available templates for financial statements and notes to the financial statements on the Auditor of State's website <http://www.ohioauditor.gov/references/shells/regulatory.html> to prepare an accurate annual financial report.

Management's Response – See Corrective Action Plan.

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**SUMMARY SCHEDULE OF PRIOR FINDINGS –
PREPARED BY MANAGEMENT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

| Finding Number | Finding Summary | Status | Additional Information |
|-----------------------|--|---------------|-------------------------------|
| 2022-001 | Noncompliance - Village is a stockholder in a joint stock company, corporation or association. | Not Corrected | N/A |
| 2022-002 | Material Weakness - Financial Reporting – Misposting of Receipts and Disbursements. | Not Corrected | N/A |
| 2022-003 | Material Weakness - Utility Office clearing account and Security Deposit account was not reconciled. | Corrected | N/A |
| 2022-004 | Significant Deficiency - Utility Department didn't have effective internal control policies over customer account adjustments. | Corrected | N/A |

**VILLAGE OF WOODSFIELD
MONROE COUNTY**

**CORRECTIVE ACTION PLAN - PREPARED BY MANAGEMENT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

| Finding Number | Planned Corrective Action | Anticipated Completion Date | Responsible Contact Person |
|-----------------------|---|------------------------------------|-----------------------------------|
| 2024-001 | Fiscal Officer will work Village Council and the Investment Advisor to fully understand the investments of the Village. | Immediately | Lori Cunard – Fiscal Officer |
| 2024-002 | Fiscal Officer will match up the accounting system with approved appropriation ordinances to ensure the amounts in the accounting system are correct. | Immediately | Lori Cunard – Fiscal Officer |
| 2024-003 | Fiscal Officer will entertain the idea of issuing blanket or super blanket purchase orders to help correct the issue with the purchase orders not preceding the invoice date. | Immediately | Lori Cunard – Fiscal Officer |
| 2024-004 | Fiscal Officer will follow the guidance obtained during the current audit process to complete upcoming annual financial reports filed on the Hinkle System. | Immediately | Lori Cunard – Fiscal Officer |

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WOODSFIELD

MONROE 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 1/8/2026

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