



**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

SINGLE AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2023-2022

**OHIO AUDITOR OF STATE
KEITH FABER**



VILLAGE OF HICKSVILLE
DEFIANCE COUNTY

DOCUMENT CONTENTS

TITLE

SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023

SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2022

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VILLAGE OF HICKSVILLE
DEFIANCE COUNTY
DECEMBER 31, 2023

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2023	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2023	6
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2023	7
Notes to the Financial Statements For the Year Ended December 31, 2023.....	8
Schedule of Expenditures of Federal Awards	18
Notes to the Schedule of Expenditures of Federal Awards.....	19
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	21
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	23
Schedule of Findings.....	27
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	30
Corrective Action Plan.....	31

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Hicksville
Defiance County
111 South Main Street
Hicksville, Ohio 43526-1398

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 Hicksville, Defiance County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 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 and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 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, 2023, or the changes in financial position or, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code 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.

Supplementary Information

Our audit was conducted to opine on the financial statements as a whole.

The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule is the responsibility of management and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 10, 2024

**VILLAGE OF HICKSVILLE
DEFIANCE 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	Totals (Memorandum Only)
Cash Receipts				
Property and Other Taxes	\$117,262	\$218,022		\$335,284
Municipal Income Tax	1,733,198			1,733,198
Intergovernmental	132,657	1,806,842	\$578,172	2,517,671
Special Assessments			61,552	61,552
Charges for Services	21,753	214,081		235,834
Fines, Licenses and Permits	14,953	18,236		33,189
Earnings on Investments	126,305	2,801		129,106
Miscellaneous	37,850	162,561	61,430	261,841
<i>Total Cash Receipts</i>	<u>2,183,978</u>	<u>2,422,543</u>	<u>701,154</u>	<u>5,307,675</u>
Cash Disbursements				
Current:				
Security of Persons and Property	661,137	530,088	63,050	1,254,275
Public Health Services	27,500			27,500
Leisure Time Activities	138,556			138,556
Community Environment	47,460	550,801		598,261
Basic Utility Services		39,688		39,688
Transportation		240,187		240,187
General Government	470,631	2,780	133	473,544
Capital Outlay		1,690,042	1,288,214	2,978,256
Debt Service:				
Principal Retirement		29,471		29,471
<i>Total Cash Disbursements</i>	<u>1,345,284</u>	<u>3,083,057</u>	<u>1,351,397</u>	<u>5,779,738</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>838,694</u>	<u>(660,514)</u>	<u>(650,243)</u>	<u>(472,063)</u>
Other Financing Receipts (Disbursements)				
Loans Issued			145,069	145,069
Transfers In		154,932	400,000	554,932
Transfers Out	(554,932)			(554,932)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(554,932)</u>	<u>154,932</u>	<u>545,069</u>	<u>145,069</u>
<i>Net Change in Fund Cash Balances</i>	283,762	(505,582)	(105,174)	(326,994)
<i>Fund Cash Balances, January 1</i>	<u>939,471</u>	<u>1,234,609</u>	<u>2,355,038</u>	<u>4,529,118</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,223,233</u>	<u>\$729,027</u>	<u>\$2,249,864</u>	<u>\$4,202,124</u>

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

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$2,344,785
Miscellaneous	25,990
	<u>2,370,775</u>
<i>Total Operating Cash Receipts</i>	<u>2,370,775</u>
Operating Cash Disbursements	
Personal Services	324,159
Employee Fringe Benefits	110,879
Contractual Services	651,197
Supplies and Materials	120,525
Other	7,200
	<u>1,213,960</u>
<i>Total Operating Cash Disbursements</i>	<u>1,213,960</u>
<i>Operating Income</i>	<u>1,156,815</u>
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	25
Capital Outlay	(352,561)
Principal Retirement	(454,913)
Interest and Other Fiscal Charges	(16,065)
	<u>(823,514)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(823,514)</u>
<i>Net Change in Fund Cash Balances</i>	333,301
<i>Fund Cash Balances, January 1</i>	<u>3,494,246</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$3,827,547</u></u>

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

VILLAGE OF HICKSVILLE
DEFIANCE COUNTY

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

	<u>Custodial</u>
Additions	
Property and Other Local Taxes Collected for Distribution	\$113,438
Fines, Licenses and Permits for Distribution	<u>13,853</u>
<i>Total Additions</i>	<u>127,291</u>
Deductions	
Distributions to Other Governments	116,838
Distributions to Other Funds (Primary Government)	10,453
Other Distributions	<u>5,760</u>
<i>Total Deductions</i>	<u>133,051</u>
<i>Net Change in Fund Cash Balances</i>	(5,760)
<i>Fund Cash Balances, January 1</i>	<u>\$5,760</u>
<i>Fund Cash Balances, December 31</i>	<u><u> </u></u>

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

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1 – Reporting Entity

The Village of Hicksville, Defiance County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, refuse collection, park operations, police services, and fire and emergency medical services.

Jointly Governed Organization and Public Entity Risk Pool

The Village participates in a jointly governed organization, Hicksville Union Cemetery, and two public entity risk pools, the Ohio Municipal League Group Rating Plan (GRP) and the Ohio Plan Risk Management, Inc. (OPRM). Notes 9 and 11 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Fire/EMS Levy Fund The Fire/EMS Levy Fund receives fire and emergency medical services tax levy money and payments from residents of the Village and surrounding areas who receive fire and emergency medical services. Grants are also a source of revenue.

American Rescue Plan Act Fund The American Rescue Plan Act Fund accounts for federal funding which was used for the construction of a new water tower and a wastewater project.

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

Capital Projects Fund The Capital Projects Fund receives a portion of the Village income tax revenue. The revenue is used to make permanent improvements to Village land and property.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)**

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

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

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

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village had the following significant Custodial Fund:

Village of Sherwood Income Tax Fund The Village of Sherwood Income Tax Fund receives income tax revenue collected and disbursed each month on behalf of the Village of Sherwood.

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

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

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

A summary of 2023 budgetary activity appears in Note 4.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)**

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 U.S. Government and Agency securities and negotiable certificates of deposit at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair 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.

Accumulated Leave

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

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$1,409 are reflected as intergovernmental revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

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

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

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

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)**

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

Note 3 – Deposits and Investments

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

	<u>2023</u>
Demand deposits	<u>\$3,096,968</u>
Cash on hand	<u>580</u>
Total deposits and cash on hand	<u>3,097,548</u>
U.S. Government and Agency securities	3,352,147
Money market mutual fund	322,743
Negotiable certificates of deposit	1,234,000
STAR Ohio	<u>23,233</u>
Total investments	<u>4,932,123</u>
Total deposits, cash on hand, and investments	<u><u>\$8,029,671</u></u>

The Village does not have a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Village is holding \$21,793 in unremitted employee payroll withholdings.

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

The Village values U.S. Government and Agency securities and negotiate certificates of deposit at cost. Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)**

Note 4 – Budgetary Activity

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,534,600	\$2,183,978	\$649,378
Special Revenue	2,561,923	2,577,475	15,552
Capital Projects	1,054,998	1,246,223	191,225
Enterprise	2,060,000	2,370,800	310,800
Total	\$7,211,521	\$8,378,476	\$1,166,955

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,055,570	\$1,900,216	\$155,354
Special Revenue	4,036,914	3,327,094	709,820
Capital Projects	3,042,673	1,351,397	1,691,276
Enterprise	4,454,495	2,037,499	2,416,996
Total	\$13,589,652	\$8,616,206	\$4,973,446

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 one 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 monthly or quarterly and file a final return annually.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)**

Note 6 – Debt

Debt outstanding at December 31, 2023 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loans	\$3,296,855	0.20% - 0.98%
Ohio Public Works Commission Loans	561,735	0%
Hicksville Bank Loan	95,992	3.89%
Total	<u>\$3,954,582</u>	

Ohio Water Development Authority Loans

The Village entered into a loan agreement dated August 25, 2005 with the Ohio Water Development Authority (OWDA) (Loan Number 4373) in the amount of \$6,659,433 for the purpose of expanding the sewer plant mandated by the Ohio Environmental Protection Agency. This loan is to be repaid over a period of 20 years in semi-annual installments of \$169,921, including 0.20 percent interest. As of December 31, 2023, the balance of this loan was \$1,353,270.

The Village entered into a loan agreement dated August 25, 2016 with OWDA (Loan Number 7450) in the amount of \$1,073,071 for the purpose of making sanitary sewer improvements along Antwerp Drive. This loan is to be repaid over a period of 30 years in semi-annual installments of \$18,435, including 0.20 percent interest. As of December 31, 2023, the balance of this loan was \$863,574.

The Village entered into a loan agreement dated March 30, 2017 with OWDA (Loan Number 7619) in the amount of \$1,406,227 for the purpose of making improvements on Bryan and Main Streets included in the Long-Term Control Plan Phase I project. This loan is to be repaid over a period of 20 years in semi-annual installments of \$38,799, including 0.98 percent interest. As of December 31, 2023, the balance of this loan was \$1,080,011.

Ohio Public Works Commission Loans

The Village entered into a loan agreement dated July 13, 2015 with the Ohio Public Works Commission (Loan Number CT10S) in the amount of \$500,000 for the CSO Abatement Program which includes various storm sewer and sanitary sewer improvements. This loan will be repaid over a period of 30 years in semi-annual installments of \$8,333 at 0 percent interest. As of December 31, 2023, the balance of this loan was \$416,666.

The Village entered into a loan agreement dated July 1, 2022 with the Ohio Public Works Commission (Project Number CE52Z-0) in the amount of \$249,999 for the South Water Tower Replacement. This project is not yet completed. When the loan is finalized, semiannual installment payments are estimated at \$4,222 over 20 years. As of December 31, 2023, the balance of this loan was \$145,069. An amortization schedule is not available until the project is completed and all draws have been made.

Hicksville Bank Loan

The Village entered into a loan agreement dated June 3, 2020 with The Hicksville Bank (Loan Number 26690) in the amount of \$180,000 for the purchase of an ambulance. This loan will be repaid over a period of 7 years in monthly installments of \$2,456 at 3.89 percent interest. As of December 31, 2023, the balance of this loan was \$95,992.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)**

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

Year Ending December 31:	OWDA Loans	OPWC Loan	Hicksville Bank Loan
2024	\$454,311	\$16,667	\$29,471
2025	454,311	16,666	29,471
2026	454,311	16,667	29,471
2027	454,141	16,667	14,536
2028	114,469	16,667	
2029 - 2033	572,345	83,333	
2034 - 2038	572,345	83,333	
2039 - 2043	184,353	83,333	
2044 - 2048	147,483	83,333	
Total	<u>\$3,408,069</u>	<u>\$416,666</u>	<u>\$102,949</u>

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The majority of 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

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

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

Social Security

The Village's firefighter employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)**

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 – Risk Management

Risk Pool Membership

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), a unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs and other administrative services to Ohio governments (Members). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70 percent and 75 percent. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65 percent and 70 percent. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60 percent and 67.5 percent and has remain unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

Assets	\$ 23,113,696
Liabilities	(16,078,587)
Members' Equity	<u>\$ 7,035,109</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)**

Workers' Compensation

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience, and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP.

Note 10 – Interfund Transfers

During 2023, the following transfers were made:

Fund	Transfer In
Transfers From General Fund To:	
Special Revenue Fund:	
Police Pension Fund	\$54,932
Fire/EMS Levy Fund	100,000
Capital Projects Fund:	
Capital Projects Fund	400,000
	\$554,932

Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

Note 11 – Jointly Governed Organization

The Hicksville Union Cemetery is jointly governed by the Village of Hicksville and Hicksville Township. The Village Council and Trustee Township appoint the Cemetery's three-member Board of Trustees to direct cemetery operations, including grounds maintenance, opening and closing of graves, and the sale of grave lots. Both entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. Each May an annual joint meeting is held in the Village's Council chambers. Financial information can be obtained from the Hicksville Union Cemetery, 407 Manor Lane, Hicksville, Ohio 43526.

Note 12 – Miscellaneous Revenues

Miscellaneous receipts in the Special Revenue Fund primarily consisted of revolving loan principal and interest payments and rentals.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)**

Note 13 – 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. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$2,346		\$2,346
Outstanding Encumbrances		\$244,037	244,037
Total	\$2,346	\$244,037	\$246,383

The fund balance of Special Revenue Funds is restricted. The fund balance of Capital Projects Funds are restricted or assigned. These restricted and assigned amounts in the Special Revenue and Capital Projects Funds would include the outstanding encumbrances.

Note 14 – Contingent Liabilities

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

VILLAGE OF HICKSVILLE
DEFIANCE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Defiance County</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Community Development Block Grants	14.228	B-X-20-1AS-2	<u>\$328,173</u>
Total U.S. Department of Housing and Urban Development			<u>328,173</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Department of Development</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	DEV-2021-180971	778,744
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	DEV-2021-181176	550,148
<i>Passed Through Ohio Office of Budget and Management</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>361,151</u>
Total U.S. Department of Treasury			<u>1,690,043</u>
Total Expenditures of Federal Awards			<u>\$2,018,216</u>

The accompanying notes are an integral part of this schedule.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Village of Hicksville, Defiance County, Ohio (the Village) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the fund balances or changes in fund balances of the Village.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Village has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – MATCHING REQUIREMENTS

Certain Federal programs require the Village to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Village has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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OHIO AUDITOR OF STATE KEITH FABER



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

Village of Hicksville
Defiance County
111 South Main Street
Hicksville, Ohio 43526-1398

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2023 and the related notes to the financial statements of the Village of Hicksville, Defiance County, Ohio (the Village) and have issued our report thereon dated December 10, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

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

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village's Response to Finding

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

December 10, 2024

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Village of Hicksville
Defiance County
111 South Main Street
Hicksville, Ohio 43526-1398

To the Village Council:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Village of Hicksville, Defiance County, Ohio's (Village) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Village of Hicksville's major federal program for the year ended December 31, 2023. The Village of Hicksville's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the Village of Hicksville complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Village's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

December 10, 2024

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**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Coronavirus State and Local Fiscal Recovery Funds – AL #21.027
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2023-001

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were identified in the accompanying financial statements and notes to the financial statements:

- Mayor's Court Fund fines, licenses and permits for distribution, distributions to other governments, and distributions to other funds (primary government) were understated in the amounts of \$13,853, \$3,400, and \$10,453, respectively.
- Capital outlay was understated in the American Rescue Plan Act Fund in the amount of \$1,077,807 and overstated in the Capital Projects and Water Operating Funds in the amounts of \$634,417 and \$443,390, respectively.
- Transfers out were overstated in the American Rescue Plan Act Fund in the amount of \$488,688 and transfers in were overstated in the Water Operating Fund by the same amount.
- Intergovernmental receipts were incorrectly classified as loans issued in the Capital Projects Fund in the amount of \$207,096.
- Budgeted receipts in the budgetary activity note to the financial statements did not agree to amounts certified by the County Budget Commission. Budgeted receipts were overstated in the Special Revenue Fund in the amount of \$165,269.
- Budgetary expenditures in the budgetary activity note to the financial statements were understated in the Special Revenue Fund in the amount of \$244,037.

These errors were the result of inadequate policies and procedures in reviewing the financial statements and notes to the financial statements. Failure to complete accurate financial statements and notes to the financial statements could lead to Village Council making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct these and other errors ranging from \$338 to \$61,552. In addition to the adjustments noted above, we also identified an additional misstatement in the amount of \$10,601 which we have brought to the Village's attention.

The Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and the audit committee, to help identify and correct errors and omissions.

Officials' Response:

See Corrective Action Plan

3. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS or Single Audit Compliance and Controls reports.

FINDING NUMBER 2023-002

Finding For Recovery Repaid Under Audit – Contract Billing Errors

The Village of Hicksville's Contract for Fire and Emergency Medical Services with Mark Township for the period of July 1, 2020 through June 30, 2023 indicates that Mark Township will be invoiced monthly for emergency medical services (EMS) which have been provided by the Village. The contract provides that fees shall be paid by Mark Township within thirty days from the date the statement is received and that failure to remit payment of the said statement could result in termination of the contract agreement.

Due to inadequate policies and procedures over monitoring the billings and collections of EMS runs, the Village incorrectly billed the Township using the rates from the previous contract for the period ending June 30, 2020 for two billings in 2022, paid in 2023, which resulted in the Township being underbilled for emergency medical services provided by the Village. At December 31, 2023, Mark Township owed the Village of Hicksville \$670 for the emergency medical services provided for their jurisdiction on behalf of the Township in 2023.

Failure to properly calculate billings for services provided can result in loss of revenue to the Village.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money due but not collected is hereby issued against Mark Township, and in favor of the Village of Hicksville's Special Revenue Fire/EMS Levy Fund, in the amount \$670.

On November 11, 2024, Mark Township repaid the Village of Hicksville \$670. The Village receipted the \$670 into the Fire/EMS Levy Fund on November 13, 2024.

The Village should implement policies and procedures to review emergency medical services billings to help ensure they are being invoiced in accordance with the approved contracts.

Officials' Response:

See Corrective Action Plan

VILLAGE OF HICKSVILLE

111 South Main Street
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2 CFR 200.511(b) DECEMBER 31, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	This finding was first reported in 2005. Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Not corrected and reissued as Finding 2023-001 in this report.	This finding reoccurred due to errors in the financial statements and notes to the financial statements. The Fiscal Officer will review the errors and take them into consideration for future audits.
2022-002	This finding was first reported in 2022. Ohio Rev. Code § 5705.41(B) for expenditures exceeding appropriations.	Fully corrected.	
2022-003	This finding was first reported in 2021. Finding for recovery repaid under audit for public money due but not collected.	Not corrected and reissued as Finding 2023-002 in this report.	Additional errors occurred and were not corrected. Management is aware and understands the importance billing the correct EMS run rates and the Fiscal Officer will review future billings to ensure this is corrected in future audits.

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FISCAL OFFICER *Cheryl Smith*
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SOLICITOR *Rachel Hammersmith*
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rhammersmithesq@gmail.com

COUNCIL MEMBERS: *Robert Bailey III – Eric Bassett – Ron Beverly Sr. – Toni Egby – Charlie Martin – Kent Miller*

VILLAGE OF HICKSVILLE

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www.villageofhicksville.com

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) DECEMBER 31, 2023

Finding Number: 2023-001
Planned Corrective Action: The Village has a better understanding of the reporting issues, and the Fiscal Officer will continue to monitor the Village’s financial statements and make changes when needed.
Anticipated Completion Date: December 31, 2024
Responsible Contact Person: Cheryl Smith, Fiscal Officer

Finding Number: 2023-002
Planned Corrective Action: The Village will monitor EMS billings to help ensure they are being invoiced in accordance with the approved contracts.
Anticipated Completion Date: December 31, 2024
Responsible Contact Person: Cheryl Smith, Fiscal Officer

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**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY
DECEMBER 31, 2022**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2022	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2022	6
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2022	7
Notes to the Financial Statements For the Year Ended December 31, 2022.....	8
Schedule of Expenditures of Federal Awards	18
Notes to the Schedule of Expenditures of Federal Awards.....	19
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	21
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	23
Schedule of Findings.....	27
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	31
Corrective Action Plan.....	32

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Hicksville
Defiance County
111 South Main Street
Hicksville, Ohio 43526-1398

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 Hicksville, Defiance County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code 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.

Supplementary Information

Our audit was conducted to opine on the financial statements as a whole.

The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule is the responsibility of management and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 10, 2024

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Taxes	\$112,486	\$209,759		\$322,245
Municipal Income Tax	1,538,162			1,538,162
Intergovernmental	145,893	809,092	\$194,477	1,149,462
Special Assessments			60,910	60,910
Charges for Services	27,178	205,985		233,163
Fines, Licenses and Permits	16,690	28,220		44,910
Earnings on Investments	50,427	534		50,961
Miscellaneous	38,043	164,735	17,270	220,048
<i>Total Cash Receipts</i>	<u>1,928,879</u>	<u>1,418,325</u>	<u>272,657</u>	<u>3,619,861</u>
Cash Disbursements				
Current:				
Security of Persons and Property	638,866	538,270	58,486	1,235,622
Public Health Services	27,500			27,500
Leisure Time Activities	169,722			169,722
Community Environment	34,277	18,068		52,345
Basic Utility Services		29,081		29,081
Transportation		227,592		227,592
General Government	439,730	276,945	123	716,798
Capital Outlay		376,119	373,156	749,275
Debt Service:				
Principal Retirement		24,160		24,160
Interest and Fiscal Charges		5,311		5,311
<i>Total Cash Disbursements</i>	<u>1,310,095</u>	<u>1,495,546</u>	<u>431,765</u>	<u>3,237,406</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>618,784</u>	<u>(77,221)</u>	<u>(159,108)</u>	<u>382,455</u>
Other Financing Receipts (Disbursements)				
Transfers In		50,500	700,000	750,500
Transfers Out	(750,500)			(750,500)
Advances In	4,481	11,744		16,225
Advances Out	(11,744)	(4,481)		(16,225)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(757,763)</u>	<u>57,763</u>	<u>700,000</u>	
<i>Net Change in Fund Cash Balances</i>	(138,979)	(19,458)	540,892	382,455
<i>Fund Cash Balances, January 1</i>	<u>1,078,450</u>	<u>1,254,067</u>	<u>1,814,146</u>	<u>4,146,663</u>
<i>Fund Cash Balances, December 31</i>	<u>\$939,471</u>	<u>\$1,234,609</u>	<u>\$2,355,038</u>	<u>\$4,529,118</u>

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

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$2,294,810
Miscellaneous	34,616
	2,329,426
<i>Total Operating Cash Receipts</i>	<i>2,329,426</i>
Operating Cash Disbursements	
Personal Services	292,566
Employee Fringe Benefits	98,374
Contractual Services	654,620
Supplies and Materials	151,972
Other	5,900
	1,203,432
<i>Total Operating Cash Disbursements</i>	<i>1,203,432</i>
<i>Operating Income</i>	<i>1,125,994</i>
Non-Operating Receipts (Disbursements)	
Intergovernmental	35,000
Capital Outlay	(229,290)
Principal Retirement	(453,524)
Interest and Other Fiscal Charges	(17,454)
	(665,268)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(665,268)</i>
<i>Net Change in Fund Cash Balances</i>	<i>460,726</i>
<i>Fund Cash Balances, January 1</i>	<i>3,033,520</i>
<i>Fund Cash Balances, December 31</i>	<i>\$3,494,246</i>

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

VILLAGE OF HICKSVILLE
DEFIANCE COUNTY

COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Custodial</u>
Additions	
Property and Other Local Taxes Collected for Distribution	\$106,673
Fines, Licenses and Permits for Distribution	15,818
	<hr/>
<i>Total Additions</i>	122,491
	<hr/>
Deductions	
Distributions to Other Governments	110,206
Distributions to Other Funds (Primary Government)	12,285
Other Distributions	40,664
	<hr/>
<i>Total Deductions</i>	163,155
	<hr/>
<i>Net Change in Fund Cash Balances</i>	(40,664)
	<hr/>
<i>Fund Cash Balances, January 1</i>	46,424
	<hr/>
<i>Fund Cash Balances, December 31</i>	\$5,760
	<hr/> <hr/>

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

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1 – Reporting Entity

The Village of Hicksville, Defiance County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, refuse collection, park operations, police services, and fire and emergency medical services.

Jointly Governed Organization and Public Entity Risk Pool

The Village participates in a jointly governed organization, Hicksville Union Cemetery, and two public entity risk pools, the Ohio Municipal League Group Rating Plan (GRP) and the Ohio Plan Risk Management, Inc. (OPRM). Notes 9, and 11 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Fire/EMS Levy Fund The Fire/EMS Levy Fund receives fire and emergency medical services tax levy money and payments from residents of the Village and surrounding areas who receive fire and emergency medical services. Grants are also a source of revenue.

American Rescue Plan Act Fund The American Rescue Plan Act Fund accounts for federal funding which was used for the construction of a new water tower and a wastewater project.

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

Capital Projects Fund The Capital Projects Fund receives a portion of the Village income tax revenue. The revenue is used to make permanent improvements to Village land and property.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

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

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

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

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village had the following significant Custodial Fund:

Village of Sherwood Income Tax Fund The Village of Sherwood Income Tax Fund receives income tax revenue collected and disbursed each month on behalf of the Village of Sherwood.

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

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

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

A summary of 2022 budgetary activity appears in Note 4.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

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 U.S. Government and Agency securities and negotiable certificates of deposit at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair 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.

Accumulated Leave

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

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

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

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

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

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

Note 3 – Deposits and Investments

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

	<u>2022</u>
Demand deposits	<u>\$3,132,945</u>
Cash on hand	<u>580</u>
Total deposits and cash on hand	<u>3,133,525</u>
U.S. Government and Agency securities	3,621,747
Money market mutual fund	17,800
Negotiable certificates of deposit	1,234,000
STAR Ohio	<u>22,052</u>
Total investments	<u>4,895,599</u>
Total deposits, cash on hand, and investments	<u><u>\$8,029,124</u></u>

The Village does not have a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Village is holding \$4,096 in unremitted employee payroll withholdings.

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

The Village values U.S. Government and Agency securities and negotiate certificates of deposit at cost. Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

Note 4 – Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,439,200	\$1,931,712	\$492,512
Special Revenue	1,011,439	1,480,569	469,130
Capital Projects	750,000	972,657	222,657
Enterprise	1,590,000	2,364,426	774,426
Total	\$4,790,639	\$6,749,364	\$1,958,725

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,287,409	\$2,106,244	\$181,165
Special Revenue	2,231,286	1,521,096	710,190
Capital Projects	2,403,175	2,049,304	353,871
Enterprise	4,082,050	2,350,920	1,731,130
Total	\$11,003,920	\$8,027,564	\$2,976,356

The Unclaimed Monies Fund is legally budgeted as a separate Custodial Fund; however, this fund is considered part of the General Fund for financial reporting purposes. The General Fund actual receipts will be lower on the budgetary statement in the amount of \$1,648. The General Fund actual disbursements will be lower on the budgetary statement in the amount of \$34.

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 one 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.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

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 monthly or quarterly and file a final return annually.

Note 6 – Debt

Debt outstanding at December 31, 2022 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loans	\$3,735,101	0.20% - 0.98%
Ohio Public Works Commission Loan	433,333	0%
Hicksville Bank Loan	121,130	3.89%
Total	<u>\$4,289,564</u>	

Ohio Water Development Authority Loans

The Village entered into a loan agreement dated August 25, 2005 with the Ohio Water Development Authority (OWDA) (Loan Number 4373) in the amount of \$6,659,433 for the purpose of expanding the sewer plant mandated by the Ohio Environmental Protection Agency. This loan is to be repaid over a period of 20 years in semi-annual installments of \$169,921, including 0.20 percent interest. As of December 31, 2022, the balance of this loan was \$1,689,901.

The Village entered into a loan agreement dated August 25, 2016 with OWDA (Loan Number 7450) in the amount of \$1,073,071 for the purpose of making sanitary sewer improvements along Antwerp Drive. This loan is to be repaid over a period of 30 years in semi-annual installments of \$18,435, including 0.20 percent interest. As of December 31, 2022, the balance of this loan was \$898,664.

The Village entered into a loan agreement dated March 30, 2017 with OWDA (Loan Number 7619) in the amount of \$1,406,227 for the purpose of making improvements on Bryan and Main Streets included in the Long-Term Control Plan Phase I project. This loan is to be repaid over a period of 20 years in semi-annual installments of \$38,799, including 0.98 percent interest. As of December 31, 2022, the balance of this loan was \$1,146,536.

Ohio Public Works Commission Loan

The Village entered into a loan agreement dated July 13, 2015 with the Ohio Public Works Commission (Loan Number CT10S) in the amount of \$500,000 for the CSO Abatement Program which includes various storm sewer and sanitary sewer improvements. This loan will be repaid over a period of 30 years in semi-annual installments of \$8,333 at 0 percent interest. As of December 31, 2022, the balance of this loan was \$433,333.

Hicksville Bank Loan

The Village entered into a loan agreement dated June 3, 2020 with The Hicksville Bank (Loan Number 26690) in the amount of \$180,000 for the purchase of an ambulance. This loan will be repaid over a period of 7 years in monthly installments of \$2,456 at 3.89 percent interest. As of December 31, 2022, the balance of this loan was \$121,130.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

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

Year Ending December 31:	OWDA Loans	OPWC Loan	Hicksville Bank Loan
2023	\$454,311	\$16,667	\$29,471
2024	454,311	16,667	29,471
2025	454,311	16,666	29,471
2026	454,311	16,667	29,472
2027	454,141	16,667	14,536
2028 - 2032	572,345	83,333	
2033 - 2037	572,345	83,333	
2038 - 2042	261,952	83,334	
2043 - 2047	184,353	83,333	
2048		16,666	
Total	\$3,862,380	\$433,333	\$132,421

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

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

Social Security

The Village's firefighter employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Risk Management

Risk Pool Membership

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (Members). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70 percent and 75 percent. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65 percent and 70 percent. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60 percent and 67.5 percent and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	(18,158,351)
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

Workers' Compensation

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience, and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP.

Note 10 – Interfund Transfers

During 2022, the following transfers were made:

Fund	Transfer In
Transfers From General Fund To:	
Special Revenue Fund:	
Police Pension Fund	\$50,500
Capital Projects Fund:	
Capital Projects Fund	700,000
	\$750,500

Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

Note 11 – Jointly Governed Organization

The Hicksville Union Cemetery is jointly governed by the Village of Hicksville and Hicksville Township. The Village Council and Trustee Township appoint the Cemetery's three-member Board of Trustees to direct cemetery operations, including grounds maintenance, opening and closing of graves, and the sale of grave lots. Both entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. Each May an annual joint meeting is held in the Village's Council chambers. Financial information can be obtained from the Hicksville Union Cemetery, 407 Manor Lane, Hicksville, Ohio 43526.

Note 12 – Miscellaneous Revenues

Miscellaneous receipts in the Special Revenue Fund primarily consisted of revolving loan principal and interest payments and rentals.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

Note 13 – 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. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Nonspendable:				
Unclaimed Monies	\$2,346			\$2,346
Outstanding Encumbrances	33,939	\$21,069	\$1,617,539	1,672,547
Total	\$36,285	\$21,069	\$1,617,539	\$1,674,893

The fund balance of Special Revenue Funds is restricted. The fund balance of Capital Projects Funds are restricted or assigned. These restricted and assigned amounts in the Special Revenue and Capital Projects Funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

Note 14 – Construction and Contractual Commitments

Vendor/Project	Contract Amount	Balance Outstanding 12/31/2022
Bryan Excavating LLC Wellfied Project	\$1,253,849	\$914,684
Ortman Drilling and Water Services Wellfield Project	434,544	407,664
Caldwell Tanks Inc Water Tower Project	1,553,650	1,553,650

Note 15 – Contingent Liabilities

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

Note 16 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Fire/EMS Levy Special Revenue Fund in the amount of \$355,784.

VILLAGE OF HICKSVILLE
DEFIANCE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Defiance County</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			
Community Development Block Grants	14.228	B-F-21-1AS-1	\$35,000
Community Development Block Grants	14.228	B-X-20-1AS-2	<u>161,827</u>
Total U.S. Department of Housing and Urban Development			<u>196,827</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Defiance County</i>			
COVID-19 Coronavirus Relief Fund	21.019	N/A	4,706
<i>Passed Through Ohio Department of Development</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	DEV-2021-180971	<u>259,516</u>
Total U.S. Department of Treasury			<u>264,222</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Direct Assistance</i>			
Assistance to Firefighters Grant	97.042	EMW-2019-FG-06208	6,212
Assistance to Firefighters Grant	97.042	EMW-2019-FG-01395	<u>376,119</u>
Total U.S. Department of Homeland Security			<u>382,331</u>
Total Expenditures of Federal Awards			<u><u>843,380</u></u>

The accompanying notes are an integral part of this schedule.

**VILLAGE OF HICKSVILLE
DEFIANCE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Village of Hicksville, Defiance County, Ohio (the Village) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the fund balances or changes in fund balances of the Village.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Village has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – MATCHING REQUIREMENTS

Certain Federal programs require the Village to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Village has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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OHIO AUDITOR OF STATE KEITH FABER



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

Village of Hicksville
Defiance County
111 South Main Street
Hicksville, Ohio 43526-1398

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2022 and the related notes to the financial statements of the Village of Hicksville, Defiance County, Ohio (the Village) and have issued our report thereon dated December 10, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-002.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Village's responses was 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 10, 2024

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Village of Hicksville
Defiance County
111 South Main Street
Hicksville, Ohio 43526-1398

To the Village Council:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Village of Hicksville, Defiance County, Ohio's (Village) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Village of Hicksville's major federal program for the year ended December 31, 2022. The Village of Hicksville's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the Village of Hicksville complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Village's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

December 10, 2024

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VILLAGE OF HICKSVILLE
DEFIANCE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Assistance to Firefighters Grant – AL #97.044
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2022-001

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were identified in the accompanying financial statements and notes to the financial statements:

- Special assessment receipts were incorrectly classified as property and other taxes in the Street Lights Capital Projects Fund in the amount of \$60,910.
- The Village inappropriately recorded State and Local Fiscal Recovery grant disbursements in the Capital Projects and Water Operating Funds in the amounts of \$214,217 and \$45,298, respectively. This should have been recorded in the American Rescue Plan Act Fund. Audit adjustments are reflected in the financial statements and in the accounting records correcting the misstatement.
- Outstanding encumbrances in the fund balances note to the financial statements were overstated in the Capital Projects Fund in the amount of \$75,544.
- Mayor's Court Fund fines, licenses and permits for distribution, distributions to other governments, and distributions to other funds (primary government) were understated in the amounts of \$15,818, \$3,533, and \$12,285, respectively.
- Capital outlay and intergovernmental receipts were understated in the Fire/EMS Levy Special Revenue Fund in the amount of \$376,119.
- Budgeted receipts in the budgetary activity note to the financial statements did not agree to amounts certified by the County Budget Commission. Budgeted receipts were overstated in the Capital Projects Fund in the amount of \$75,675.
- Appropriation authority in the budgetary activity note to the financial statements did not agree to amounts approved by Village Council. Appropriation authority was understated in the General, Special Revenue, Capital Projects, and Enterprise Funds in the amounts of \$2,287,409, \$2,231,286, \$2,403,175, and \$4,082,050, respectively.
- Budgetary expenditures in the budgetary activity note to the financial statements were understated in the General, Special Revenue, Capital Projects, and Enterprise Funds in the amounts of \$2,106,244, \$1,521,096, \$2,049,304, and \$2,350,920, respectively.

These errors were the result of inadequate policies and procedures in reviewing the financial statements and notes to the financial statements. Failure to complete accurate financial statements and notes to the financial statements could lead to Village Council making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct these and other errors ranging from \$34 to \$35,000. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$10,000 to \$10,828 which we have brought to the Village's attention.

The Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and the audit committee, to help identify and correct errors and omissions.

Officials' Response:

See Corrective Action Plan

FINDING NUMBER 2022-002

Noncompliance

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

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village's Fire/EMS Levy Special Revenue Fund had expenditures in excess of appropriations in the amount of \$355,784 as of December 31, 2022.

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

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

Officials' Response:

See Corrective Action Plan

3. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS or Single Audit Compliance and Controls reports.

FINDING NUMBER 2022-003

Finding For Recovery Repaid Under Audit – Contract Billing Errors

The Village of Hicksville's Contract for Fire and Emergency Medical Services with Mark Township for the period of July 1, 2020 through June 30, 2023 indicates that Mark Township will be invoiced monthly for emergency medical services (EMS) which have been provided by the Village. The contract provides that fees shall be paid by Mark Township within thirty days from the date the statement is received and that failure to remit payment of the said statement could result in termination of the contract agreement.

Due to inadequate policies and procedures over monitoring the billings and collections of EMS runs, the Village incorrectly billed the Township using the rates from the previous contract for the period ending June 30, 2020 for three billings in 2022, which resulted in the Township being underbilled for emergency medical services provided by the Village. At December 31, 2022, Mark Township owed the Village of Hicksville \$1,007.50 for the emergency medical services provided for their jurisdiction on behalf of the Township in 2022.

Failure to properly calculate billings for services provided can result in loss of revenue to the Village.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money due but not collected is hereby issued against Mark Township, and in favor of the Village of Hicksville's Special Revenue Fire/EMS Levy Fund, in the amount \$1,007.50.

On November 11, 2024, Mark Township repaid the Village of Hicksville \$1,007.50. The Village receipted the \$1,007.50 into the Fire/EMS Levy Fund on November 13, 2024.

The Village should implement policies and procedures to review emergency medical services billings to help ensure they are being invoiced in accordance with the approved contracts.

Officials' Response:

See Corrective Action Plan

VILLAGE OF HICKSVILLE

111 South Main Street
 Hicksville Ohio 43526-1398
www.villageofhicksville.com

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 2 CFR 200.511(b)
 DECEMBER 31, 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	This finding was first reported in 2020. Material weakness and noncompliance with Ohio Rev. Code § 5705.10(F) for posting proceeds from the sale of land in the wrong fund.	Fully corrected.	
2021-002	This finding was first reported in 2005. Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Not corrected and reissued as Finding 2022-001 in this report.	This finding reoccurred due to errors in the financial statements and notes to the financial statements. The Fiscal Officer will review the errors and take them into consideration for future audits.
2021-003	This finding was first reported in 2021. Finding for recovery repaid under audit for public money due but not collected.	Not corrected and reissued as Finding 2022-003 in this report.	Additional errors occurred and were not corrected. Management is aware and understands the importance billing the correct EMS run rates and the Fiscal Officer will review future billings to ensure this is corrected in future audits.

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FISCAL OFFICER *Cheryl Smith*
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SOLICITOR *Rachel Hammersmith*
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rhammersmithesq@gmail.com

COUNCIL MEMBERS: *Robert Bailey III – Eric Bassett – Ron Beverly Sr. – Toni Egby – Charlie Martin – Kent Miller*

VILLAGE OF HICKSVILLE

111 South Main Street
Hicksville Ohio 43526-1398
www.villageofhicksville.com

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) DECEMBER 31, 2022

Finding Number: 2022-001
Planned Corrective Action: The Village has a better understanding of the reporting issues, and the Fiscal Officer will continue to monitor the Village’s financial statements and make changes when needed.
Anticipated Completion Date: December 31, 2023
Responsible Contact Person: Cheryl Smith, Fiscal Officer

Finding Number: 2022-002
Planned Corrective Action: The Village will continue to monitor budget and actual amounts to ensure no budgetary violations occur in the future.
Anticipated Completion Date: December 31, 2023
Responsible Contact Person: Cheryl Smith, Fiscal Officer

Finding Number: 2022-003
Planned Corrective Action: The Village will monitor EMS billings to help ensure they are being invoiced in accordance with the approved contracts.
Anticipated Completion Date: December 31, 2023
Responsible Contact Person: Cheryl Smith, Fiscal Officer

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF HICKSVILLE

DEFIANCE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/24/2024

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

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