

VILLAGE OF NEW LEXINGTON

PERRY COUNTY, OHIO

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023





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Village Council
Village of New Lexington
215 S. Main Street
New Lexington, Ohio 43764

We have reviewed the *Independent Auditor's Report* of the Village of New Lexington, Perry County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2023 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

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

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

December 29, 2025

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**VILLAGE OF NEX LEXINGTON
PERRY COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Village of New Lexington
Perry County
215 S. Main Street
New Lexington, Ohio 43764

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 New Lexington, Perry County, Ohio (the Village), which comprise the cash balances, receipts and disbursements for each governmental, proprietary and fiduciary fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental, proprietary and fiduciary fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2024 and 2023, or the changes in financial position or cash flows, thereof for the years then ended.

Basis for Opinions

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

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

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

Emphasis of Matter

As discussed in Note 2 to the 2023 financial statements, the Village changed its accounting basis from the cash basis of accounting to the Auditor of State regulatory basis of accounting.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.

July 29, 2025

**VILLAGE OF NEW LEXINGTON
PERRY COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 95,204	\$ 628,955	\$ 724,159
Municipal Income Tax	1,435,797	-	1,435,797
Intergovernmental	135,856	722,916	858,772
Charges for Services	194,589	1,174,173	1,368,762
Licenses, Permits and Fees	32,543	-	32,543
Fines, Forfeitures and Settlements	6,881	-	6,881
Earnings on Investments	6,787	-	6,787
Miscellaneous	46,312	98,356	144,668
<i>Total Cash Receipts</i>	<i>1,953,969</i>	<i>2,624,400</i>	<i>4,578,369</i>
Cash Disbursements			
Current:			
Security of Persons and Property	1,326,776	1,294,520	2,621,296
Public Health Services	-	18,253	18,253
Leisure Time Activities	-	250,895	250,895
Transportation	-	285,942	285,942
General Government	976,442	-	976,442
Capital Outlay	-	536,419	536,419
Debt Service:			
Principal Retirement	131,187	118,588	249,775
Interest and Fiscal Charges	22,302	23,209	45,511
<i>Total Cash Disbursements</i>	<i>2,456,707</i>	<i>2,527,826</i>	<i>4,984,533</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(502,738)</i>	<i>96,574</i>	<i>(406,164)</i>
Other Financing Receipts (Disbursements)			
Loans Issued	550,000	300,903	850,903
Sale of Capital Assets	10,000	-	10,000
Transfers In	-	11,592	11,592
Transfers Out	(11,592)	-	(11,592)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>548,408</i>	<i>312,495</i>	<i>860,903</i>
<i>Net Change in Fund Cash Balances</i>	<i>45,670</i>	<i>409,069</i>	<i>454,739</i>
<i>Fund Cash Balances, January 1 (Retated)</i>	<i>657,152</i>	<i>1,127,397</i>	<i>1,784,549</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 702,822</i>	<i>\$ 1,536,466</i>	<i>\$ 2,239,288</i>

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

**VILLAGE OF NEW LEXINGTON
PERRY COUNTY**

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

Proprietary Fund Type	
Enterprise	
Operating Cash Receipts	
Charges for Services	\$ 2,545,826
<i>Total Operating Cash Receipts</i>	<u>2,545,826</u>
Operating Cash Disbursements	
Personal Services	586,427
Employee Fringe Benefits	197,661
Contractual Services	844,406
Supplies and Materials	334,950
Other	349
<i>Total Operating Cash Disbursements</i>	<u>1,963,793</u>
<i>Operating Income (Loss)</i>	<u>582,033</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental	121,215
Miscellaneous Receipts	371
Capital Outlay	(303,397)
Principal Retirement	(272,833)
Interest and Other Fiscal Charges	(83,570)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(538,214)</u>
<i>Income (Loss) before Transfers</i>	<u>43,819</u>
Transfers In	321,432
Transfers Out	(321,432)
<i>Net Change in Fund Cash Balances</i>	<u>43,819</u>
<i>Fund Cash Balances, January 1 (Restated)</i>	<u>3,001,010</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 3,044,829</u>

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

VILLAGE OF NEW LEXINGTON
PERRY COUNTY

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

	<u>Custodial</u>
<i>Fund Cash Balances, January 1 (Restated)</i>	<u>\$ 29,215</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 29,215</u>

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

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Village of New Lexington (the Village), Perry County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village operates under its own Charter, a home-rule municipality as defined by Title 7 of the Ohio Revised Code. A publicly elected Mayor and seven-member Council directs the Village. An appointed Finance Director is responsible for the fiscal control of the financial resources of the Village. The Village provides water and sewer utilities, police protection, fire and emergency medical services protection, parks and recreation, building inspection and code enforcement, and street maintenance and repairs to its citizens.

Jointly Governed Organization and Public Entity Risk Pool

The Village participates in public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village is associated with the New Lexington-Pike Township Union Cemetery, which is defined as a jointly governed organization. This organization is presented in Note 12 of the financial statements. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Fire and EMS Levy The Fire and EMS Levy Fund receives tax revenues, intergovernmental, and charges for services receipts which are used to provide fire protection and emergency medical services to Village residents and the residents of other political subdivisions that have contracted with the Village.

Police Levy The Police Levy Fund receives tax revenues which are used to provide police protection services to Village residents.

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

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

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

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Custodial funds are purely custodial in nature. The Village had the following significant custodial fund:

Fire Damage Escrow By law, it is the responsibility of the owner to contact the Village if they intend to remove, repair, or secure the property following a fire. Failure to do so will result in the Village assuming responsibility for the project and utilizing the fire damage escrow deposit to cover any costs incurred.

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.

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

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

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

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

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

During 2024, the Village invested in a nonnegotiable certificate of deposit which are reported at cost. Interest earnings are allocated to Village funds according to State statutes, codified ordinances of the Village, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2024 was \$6,787.

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

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

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

SBITAs

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

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 2024, distributions of \$6,718 are reflected as Opioid Settlement 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 or ordinance). The Village must adhere to these commitments unless the Council amends the resolution or ordinance. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (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 – Budgetary Activity

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

Fund Type	2024 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,730,186	\$ 2,513,969	\$ 783,783
Special Revenue	2,239,801	2,936,895	697,094
Enterprise	2,386,900	2,988,844	601,944

Fund Type	2024 Budgeted vs. Budgetary Basis Disbursements		
	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,696,727	\$ 2,516,146	\$ 180,581
Special Revenue	3,622,694	3,080,801	541,893
Enterprise	4,007,578	3,449,714	557,864

Contrary to Ohio Revised Code, the Village had appropriations which exceeded estimated resources in violation of Section 5705.39. Additionally, the Village did not properly encumber all disbursements in violation of Section 5705.41(D).

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 4 – Deposits

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 accounts are as follows:

	2024
<i>Cash Management Pool:</i>	
Demand deposits	\$ 5,236,927
Certificates of deposit	76,405
Total deposits	<u>\$ 5,313,332</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Village did not have any unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

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

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

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

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

The Pool reported the following summary of actuarially-measured liabilities and the assets available to pay those liabilities as of December 31: (Most Current Information Available)

	2023
Cash and investments	\$43,996,442
Actuarial liabilities	\$19,743,401

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 7 – Defined Benefit Pension Plans (Continued)

Ohio Police and Fire Retirement System

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

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

Social Security

Volunteer firefighters compensated per run contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Volunteers contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

	Principal	Interest Rate
Building	\$ 721,511	4.00%
Sanitary Sewer System Mort. Revenue Bond	581,000	4.50%
Medic Truck	137,405	6.50%
Land for Park	544,075	2.75%
Medic Truck Full Size	270,714	6.50%
Ohio Public Works Commission	361,508	0% - 2.00%
Ohio Water Development Authority Refunding Loan	<u>3,988,463</u>	<u>.75% - 2.00%</u>
Total	<u>\$ 6,604,676</u>	

Revenue bonds are obligations for the Village for which full faith, credit, and resources are pledged and are payable from user charges assessed for water and sewer services. Outstanding mortgage revenue bonds consist of a sewer improvement issue.

The Ohio Water Development Authority (OWDA) Loans are payable from the user charges assessed for water and sewer services. These loans were used to make water and sewer system improvements.

The Ohio Public Works Commission (OPWC) Loans are payable from the user charges assessed for water and sewer services. These loans were used for the construction of a sewer pumping station, equalization basin project, and wastewater treatment plant.

In 2015, the Village purchased a building, 215 S Main Street, for \$1,563,870. The note is payable to Peoples State Bank with monthly installments which include interest of 4.00%. The building is collateral for the note.

In 2023, the Village purchased a Citi Medic for \$166,500. The note is payable to Peoples State Bank with monthly installments which include interest at 6.50%. The squad itself is collateral for the loan.

In 2024, the Village purchased a Medic for \$300,903. The note is payable to Peoples State Bank with monthly installments which include interest at 6.50%. The squad itself is collateral for the loan.

In 2024, the Village purchased a 51-acre site for \$550,000. The note is payable to Peoples State Bank with monthly installments which include interest at 6.50%. The land itself is collateral for the loan. This land will be used to expand Arethusa Springs Park.

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt (Continued)

Amortization

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

Year Ending December 31:	Sanitary Sewer System		OWDA			Medic Truck		
	Mort Rev Bond	OPWC	Refunding Loan	Medic Truck	Land for Park	Full Size	Building PSB	
2025	\$ 31,000	\$ 19,207	\$ 310,386	\$ 39,084	\$ 26,952	\$ 70,668	\$ 142,680	
2026	31,000	15,491	284,586	39,084	26,952	70,668	142,680	
2027	33,000	15,491	279,383	39,084	26,952	70,668	142,680	
2028	33,000	15,491	277,959	39,084	26,952	70,668	142,680	
2029	35,000	15,491	277,959	-	26,952	23,556	142,680	
2030-2034	173,000	77,955	1,315,732	-	134,760	-	95,120	
2035-2039	183,000	77,955	1,020,147	-	134,760	-	-	
2040-2044	193,000	77,955	743,100	-	134,760	-	-	
2045-2049	41,000	47,973	420,897	-	134,760	-	-	
2050-2054	-	-	-	-	134,760	-	-	
Total	<u>\$ 753,000</u>	<u>\$ 363,009</u>	<u>\$ 4,930,149</u>	<u>\$ 156,336</u>	<u>\$ 808,560</u>	<u>\$ 306,228</u>	<u>\$ 808,520</u>	

Note 10 – Construction and Contractual Commitments

In 2022 the Village was awarded the Brownfield Remediation Program Grant from the Ohio Department of Development. The Village was awarded funds in the amount of \$998,040. The funds are to be spent on the remediation of the Lempco Industrial site. The Brownfield Remediation Grant is required to have a Federal Single Audit or a grant specific audit, which is to be reported to the Ohio Department of Development if there is in excess of \$750,000 spent in a calendar year. The amount spent in 2024 was \$225,203.

Note 11 – Contingent Liabilities

In 2010, the Village entered into a joint use agreement with Hocking Technical College in which the Village agreed to receive \$750,000 in capital funds to be used to finance a portion of the Village's fire department and municipal building project. In exchange for the capital funds, the Village agreed to allow Hocking Technical College to use the Village's facilities as a training laboratory for Hocking Technical College's Fire Science and EMT program for a period of 20 years. If the Village terminates this agreement prior to the agreed upon 20 year time period, the Village must pay back a percentage of the \$750,000 in capital funds.

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 12 – Jointly Governed Organization

The New Lexington- Pike Township Union Cemetery (the Cemetery) Board of Trustees are appointed by the Village and Pike Township. Taxes levied by the Village for cemetery maintenance are collected by the Perry County Auditor. Distributed to the Village and then forwarded to the Cemetery. The Cemetery is a legally separate entity that prepares and files its own financial statements. Financial statements can be obtained from the Clerk/Treasurer of the Cemetery at 440 Swigart Street, New Lexington, OH 43764.

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	Special		
	General	Revenue	Total
Nonspendable:			
Unclaimed Monies	\$ 6,748	\$ -	\$ 6,748
Outstanding Encumbrances	47,847	552,975	600,822
<i>Total</i>	<i>\$ 54,595</i>	<i>\$ 552,975</i>	<i>\$ 607,570</i>

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

Note 14 – Related Party Transactions

The Fiscal Officers' spouse is a part owner of a company from which the Village purchases small equipment and supplies to be used in performance of the Village operations. The Village paid \$31,468 during the year to this company. The Village also purchased clothing apparel from a business owned by the Fiscal Officer's parents in the amount of \$1,405.

Note 15 - Fund Balance Restatement

The Fiscal Officer voided outstanding reconciling items in 2024 that were issued in the years prior to 2024 and correction of other errors in the prior year.

	General Fund	Special	Enterprise	Custodial
		Revenue Fund	Fund	Fund
December 31, 2023 Fund Balance	\$ 649,994	\$ 1,129,596	\$ 2,995,961	\$ 29,213
Changes due to correction of errors	2,199	(2,199)	-	2
Changes due to voided checks	4,959	-	5,049	-
December 31, 2023 Restated Fund Balance	<u>\$ 657,152</u>	<u>\$ 1,127,397</u>	<u>\$ 3,001,010</u>	<u>\$ 29,215</u>

**VILLAGE OF NEW LEXINGTON
PERRY 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	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 76,852	\$ 232,569	\$ 309,421
Municipal Income Tax	1,347,854	-	1,347,854
Intergovernmental	131,692	698,247	829,939
Charges for Services	22,992	1,071,680	1,094,672
Fines, Licenses and Permits	40,535	-	40,535
Earnings on Investments	5,823	-	5,823
Miscellaneous	8,979	73,829	82,808
<i>Total Cash Receipts</i>	<i>1,634,727</i>	<i>2,076,325</i>	<i>3,711,052</i>
Cash Disbursements			
Current:			
Security of Persons and Property	1,153,327	777,806	1,931,133
Public Health Services	-	17,641	17,641
Leisure Time Activities	-	198,214	198,214
Community Environment	-	11,000	11,000
Transportation	-	329,751	329,751
General Government	407,754	3,000	410,754
Capital Outlay	51,763	483,441	535,204
Debt Service:			
Principal Retirement	79,502	84,650	164,152
Interest and Fiscal Charges	21,458	38,219	59,677
<i>Total Cash Disbursements</i>	<i>1,713,804</i>	<i>1,943,722</i>	<i>3,657,526</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(79,077)</i>	<i>132,603</i>	<i>53,526</i>
Other Financing Receipts (Disbursements)			
Loans Issued	52,466	166,500	218,966
Sale of Capital Assets	411	9,010	9,421
Transfers In	-	10,300	10,300
Transfers Out	(10,300)	-	(10,300)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>42,577</i>	<i>185,810</i>	<i>228,387</i>
<i>Net Change in Fund Cash Balances</i>	<i>(36,500)</i>	<i>318,413</i>	<i>281,913</i>
<i>Fund Cash Balances, January 1 (Restated)</i>	<i>686,494</i>	<i>811,183</i>	<i>1,497,677</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 649,994</i>	<i>\$ 1,129,596</i>	<i>\$ 1,779,590</i>

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

**VILLAGE OF NEW LEXINGTON
PERRY COUNTY**

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

	<u>Proprietary Fund Type</u>
Operating Cash Receipts	<u>Enterprise</u>
Charges for Services	\$ 2,483,297
Miscellaneous	<u>1,118</u>
<i>Total Operating Cash Receipts</i>	<u>2,484,415</u>
Operating Cash Disbursements	
Personal Services	547,355
Employee Fringe Benefits	193,936
Contractual Services	558,470
Supplies and Materials	333,141
Other	<u>1,097</u>
<i>Total Operating Cash Disbursements</i>	<u>1,633,999</u>
<i>Operating Income (Loss)</i>	850,416
Non-Operating Receipts (Disbursements)	
Sale of Capital Assets	13,303
Miscellaneous Receipts	280
Capital Outlay	(298,373)
Principal Retirement	(292,640)
Interest and Other Fiscal Charges	<u>(93,259)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(670,689)</u>
<i>Net Change in Fund Cash Balances</i>	179,727
<i>Fund Cash Balances, January 1 (Restated)</i>	<u>2,816,234</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,995,961</u>

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

VILLAGE OF NEW LEXINGTON
PERRY COUNTY

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

	Custodial
<i>Fund Cash Balances, January 1 (Restated)</i>	<u>\$ 29,213</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 29,213</u></u>

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

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of New Lexington (the Village), Perry County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village operates under its own Charter, a home-rule municipality as defined by Title 7 of the Ohio Revised Code. A publicly elected Mayor and seven-member Council directs the Village. An appointed Finance Director is responsible for the fiscal control of the financial resources of the Village.

The Village provides water and sewer utilities, police protection, fire and EMS protection, parks and recreation, building inspection, and street maintenance and repairs to its citizens.

Jointly Governed Organization and Public Entity Risk Pool

The Village participates in public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village is associated with the New Lexington-Pike Township Union Cemetery, which is defined as a jointly governed organization. This organization is presented in Note 12 of the financial statements. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Fire and EMS Levy The Fire and EMS Levy Fund receives tax, intergovernmental, and charges for services receipts which are used to provide fire protection and emergency medical services to Village residents and the residents of other political subdivisions that have contracted with the Village.

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

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

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

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village had the following significant custodial fund:

Fire Damage Escrow By law, it is the responsibility of the owner to contact the Village if they intend to remove, repair, or secure the property following a fire. Failure to do so will result in the Village assuming responsibility for the project and utilizing the fire damage escrow deposit to cover any costs incurred.

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.

In 2023, the Village changed its accounting basis from the cash basis of accounting to the Auditor of State regulatory basis of accounting. Previously, the financial statements presented major funds in separate columns and aggregated non-major funds. The Auditor of State's regulatory basis of accounting presents the financial statements on a fund type basis.

At January 1, 2023, the Fire Damage Escrow Fund was reclassified from Special Revenue Funds to the Custodial Fund for \$29,213. Also, we noted there were voided checks from a previous year for \$398 that increased the beginning fund balance in the General Fund.

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

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, and 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's Auditor Office must approve estimated resources.

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

A summary of 2023 budgetary activity appears in Note 3.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Finance Director. The appropriation amendment cannot exceed estimated resources.

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.

During 2023, the Village invested in a nonnegotiable certificate of deposit which is reported at cost. Interest earnings are allocated to Village funds according to State statutes, codified ordinances of the Village, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2023 earned from the certificate of deposit was \$5,823.

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.

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

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 \$2,371 are reflected as miscellaneous revenue in the Opioid Settlement Special Revenue Fund in the accompanying financial statements.

SBITAs

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

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

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

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

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

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

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

Note 3 – Budgetary Activity

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$ 1,249,300	\$ 1,687,604	\$ 438,304
Special Revenue	1,309,974	2,262,135	952,161
Capital Projects	2,389,600	2,497,998	108,398

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Disbursements	
General	\$ 1,844,830	\$ 1,753,149	\$ 91,681
Special Revenue	2,795,408	2,634,202	161,206
Capital Projects	3,233,026	2,431,950	801,076

Contrary to Ohio Revised Code, the Village had appropriations which exceeded estimated resources in violation of Section 5705.39. The Village did not properly encumber disbursements in violation of Section 5705.41(D).

Note 4 – Deposits

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 accounts are as follows:

	2023
<i>Cash Management Pool:</i>	
Demand deposits	\$ 4,728,359
Certificates of deposit	76,405
Total Deposits in the Cash Management Pool	<u>\$ 4,804,764</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflects net payroll plus all remitted payroll withholdings. At December 31, 2023, the Village is holding \$39,398 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

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

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

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

The Village is a member of the Public Entities Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

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

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 – Risk Management (Continued)

Risk Pool Membership (Continued)

The Pool reported the following summary of actuarially-measured liabilities and the assets available to pay those liabilities as of December 31, 2023:

	2023
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

Village's certified 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

Volunteer firefighters compensated per run contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Volunteers 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 New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 8 – Postemployment Benefits

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

Note 9 – Debt

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

	Principal	Interest Rate
Fire Equipment	\$ 13,016	6.00%
EMS Medic	9,033	2.90%
Building	831,464	4.00%
Sanitary Sewer System Mort. Revenue Bond	610,000	4.50%
Medic Truck	166,500	6.50%
The Ford Motor Credit Cruiser 1	27,037	7.09%
The Ford Motor Credit Cruiser 2	40,299	8.00%
Ohio Public Works Commission	380,803	0% - 2.00%
Ohio Water Development Authority	<u>4,198,229</u>	<u>.75% - 2.00%</u>
Total	<u><u>\$ 6,276,381</u></u>	

The December 31, 2022 ending principal balance of the 2022 loan for the Ford Police Interceptor described below in the amount of \$34,883 was not included in the ending audited principal balance.

Revenue bonds are obligations for the Village for which full faith, credit, and resources are pledged and are payable from user charges assessed for water and sewer services. Outstanding mortgage revenue bonds consist of a sewer improvement issue.

The Ohio Water Development Authority (OWDA) Loans are payable from the user charges assessed for water and sewer services. These loans were used to make water and sewer system improvements. Loan 6658 had \$ 99,973 in Principal Forgiveness during 2023.

The Ohio Public Works Commission (OPWC) Loans are payable from the user charges assessed for water and sewer services. These loans were used for the construction of a sewer pumping station, equalization basin project, and wastewater treatment plant.

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (Continued)

In 2015, the Village purchased a building, 215 S Main Street, for \$1,563,870. The note is payable to Peoples State Bank with monthly installments which include interest of 4.00%. The building is collateral for the note.

In 2018, the Village purchased a Medic squad for \$183,901. The note is payable to Peoples State Bank with monthly installments which include interest at 2.90%. The squad itself is collateral for the loan. In 2019, the Village entered a loan to purchase fire equipment for \$86,984. The note is payable to Peoples State Bank with monthly installments which include interest at 6.00%. The equipment is collateral.

In 2022, the Village purchased a Ford Police Interceptor for \$45,203. The note is payable to The Ford Motor Credit Company with annual installments of \$10,320 which include interest of 7.09%. The Interceptor is collateral for the note. In 2023, the Village purchased a Ford Police Interceptor for \$52,466. The note is payable to The Ford Motor Credit Company with annual installments of \$12,167 which include interest of 8.00%. The Interceptor is collateral for the note.

In 2023, the Village purchased a Ford Police Interceptor for \$51,906. The note is payable to The Ford Motor Credit Company with annual installments of \$12,167 which include interest of 8.00%.

In 2023, the Village purchased a Medic squad for \$166,500. The note is payable to Peoples State Bank with monthly installments which include interest at 6.50%.

Amortization

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

Year Ending	Fire Equipment	EMS Medic	Building PSB	Police Cruiser 1	Police Cruiser 2
December 31:					
2024	\$ 14,402	\$ 9,783	\$ 142,680	\$ 10,320	\$ 12,167
2025	-	-	142,680	10,320	12,167
2026	-	-	142,680	10,320	12,167
2027	-	-	142,680	-	12,167
2028	-	-	142,680	-	-
2029-2033	-	-	151,323	-	-
Total	<u>\$ 14,402</u>	<u>\$ 9,783</u>	<u>\$ 864,723</u>	<u>\$ 30,959</u>	<u>\$ 48,668</u>

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (Continued)

Year Ending December 31:	Sanitary Sewer		OWDA		
	System Mort Rev Bond	OPWC	Refunding Loan	Medic Truck	
2024	\$ 29,000	\$ 22,922	\$ 309,356	\$ 39,084	
2025	31,000	19,207	310,386	39,084	
2026	31,000	15,491	284,586	39,084	
2027	33,000	15,491	279,383	39,084	
2028	33,000	15,491	277,959	39,084	
2029-2033	175,000	77,455	1,315,732	-	
2034-2038	185,000	77,455	1,020,147	-	
2039-2043	195,000	77,455	743,100	-	
2044-2048	123,000	61,964	434,736	-	
2049-2053	-	-	92,328	-	
Total	<u>\$ 835,000</u>	<u>\$ 382,932</u>	<u>\$ 5,067,713</u>	<u>\$ 195,420</u>	

Note 10 – Construction and Contractual Commitments

In 2022 the Village was awarded the Brownfield Remediation Program Grant from the Ohio Department of Development. The Village was awarded funds in the amount of \$998,040. The funds are to be spent on the remediation of the Lempco Industrial site. The Brownfield Remediation Grant is required to have a single audit or a grant specific audit, which is to be reported to the Ohio Department of Development. if there is more than \$750,000 spent in a calendar year. The amount spent in 2023 was \$316,914.

Note 11 – Contingent Liabilities

In 2010, the Village entered into a joint use agreement with Hocking Technical College in which the Village agreed to receive \$750,000 in capital funds to be used to finance a portion of the Village's fire department and municipal building project. In exchange for the capital funds, the Village agreed to allow Hocking Technical College to use the Village's facilities as a training laboratory for Hocking Technical College's Fire Science and EMT program for a period of 20 years. If the Village terminates this agreement prior to the agreed upon 20-year time period, the Village must pay back a percentage of the \$750,000 in capital funds.

Note 12 – Jointly Governed Organizations

The New Lexington- Pike Township Union Cemetery (the Cemetery) Board of Trustees are appointed by the Village and Pike Township. Taxes levied by the Village for cemetery maintenance are collected by the Perry County Auditor. Distributed to the Village, and then forwarded to the Cemetery. The Cemetery is a legally-separate entity that prepares and files its own financial statements. Financial statements can be obtained from the Clerk/Treasurer of the Cemetery at 440 Swigart Street, New Lexington, OH 43764.

Village of New Lexington, Ohio
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 13 – Fund Balances

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
Outstanding Encumbrances	\$ 29,045	\$ 690,480	\$ 719,525
<i>Total</i>	<i>\$ 29,045</i>	<i>\$ 690,480</i>	<i>\$ 719,525</i>

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

Note 14 – Related Party Transactions

The Fiscal Officers' parents are an owner of a company from which the Village purchases clothing apparel for Village employees in the amount of \$1,359.

Note 15 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. As of December 31, 2023, the Village has \$68,407 available Covid- 19 funding from the American Rescue Plan Act. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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

Village of New Lexington
Perry County
215 S. Main Street
New Lexington, Ohio 43764

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental, proprietary and fiduciary fund type of the Village of New Lexington, Perry County, (the Village) as of an for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, and have issued our report thereon dated July 29, 2025, where we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the Village changed its accounting basis in 2023 from the cash basis of accounting to the Auditor of State regulatory basis of accounting.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2024-001 and 2024-002 that we consider to be material weaknesses.

*Village of New Lexington
Perry County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards**
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2024-003 and 2024-004.

We also noted a certain other matter not requiring inclusion in this report that we reported to the Village's management in a separate letter dated July 29, 2025.

Village's Responses to Findings

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

Purpose of this Report

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

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.

July 29, 2025

**VILLAGE OF NEW LEXINGTON
PERRY COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

Finding Number 2024-001 – Material Weakness

Financial Reporting - Posting Receipts and Disbursements

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

For 2024:

- 1st half homestead and rollback was posted 100% to the General Fund property tax line item and should have been General Fund - \$1,812, Police Fund - \$7,259, Fire Levy Fund - \$1,210, Fire and Emergency Management System Fund - \$2,420, Parks and Recreation - \$1,011, and Cemetery - \$388;
- Homestead and rollback was posted to General Property Tax instead of Intergovernmental Revenue in the amount of \$14,725;
- \$8,873 in contributions or donations from companies was reported as an Intergovernmental Revenue instead of Miscellaneous Revenue;
- Gasoline and Motor Vehicle License Taxes in the amount of \$11,356 were incorrectly allocated between the Street Construction, Repair, and Maintenance, State Highway, and General Funds;
- Principal and interest on Village debt payments were incorrectly reported;
- There was \$550,000 of loan proceeds posted as miscellaneous revenue; and
- There was \$300,903 of loan proceeds and capital outlay disbursement not recorded in the accounting system.

For 2023:

- The Village recorded Gasoline Tax in the amount of \$7,011 and Motor Vehicle License Tax for \$1,064 as property taxes instead of intergovernmental;
- A sale of an asset in the amount of \$4,000 was posted to intergovernmental instead of Sale of an Asset in the police fund;
- Permissive Motor Vehicle License Tax in the amount of \$61,050 was incorrectly posted to the State Highway Fund instead of the Street Construction, Maintenance, and Repair Fund.
- Permissive Motor Vehicle License Tax was posted 100% to the State Highway Fund tax instead of \$2,544 and \$206, Street Construction, Maintenance, and Repair and State Highway funds; respectively;
- 1st half distribution for homestead and rollback were not posted in accordance with the real estate tax settlement sheet;
- Homestead and rollback were posted to General Property Tax instead of intergovernmental revenue in the amount of \$19,964;
- Principal and interest on Village debt payments were incorrectly reported; and
- There was \$218,966 of loan proceeds and capital outlay disbursement not recorded in the accounting system.

**VILLAGE OF NEW LEXINGTON
PERRY COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

Finding Number 2024-001 – Material Weakness (Continued)

Financial Reporting - Posting Receipts and Disbursements (Continued)

Not posting receipts, fund balances and major fund presentation correctly resulted in the financial statements requiring reclassification entries. The financial statements and Village's accounting system reflect all reclassifications.

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

- Significant Accounting Policies
- Debt
- Cash

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

Management Response:

See Corrective Action Plan

FINDING 2024-002 – Material Weakness

Appropriations and Estimated Resources Posted to the Accounting System

The Village did not have a control procedure in place to ensure that budgetary amounts, as authorized by Village Trustees and approved by the County Budget Commission, were reconciled to the budgetary amounts posted to the accounting system. This resulted in incorrect amounts being recorded in the accounting system and inaccurate budgetary information available to Village officials for their monitoring.

Variances between approved appropriation amounts and amounts recorded in the UAN system at December 31, 2024 and 2023 were as follows:

**VILLAGE OF NEW LEXINGTON
PERRY COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

FINDING 2024-002 – Material Weakness (Continued)

Appropriations and Estimated Resources Posted to the Accounting System (Continued)

2024	Posted in the Accounting System	Approved by Resolution	Variance
Fund			
General Fund	\$ 2,648,605	\$ 2,648,917	\$ (312)
Street Construction, Maintenance, and Repair	430,018	428,518	1,500
Cemetery	21,272	19,722	1,550
Parks and Recreation Levy	123,720	119,283	4,437
Opiod Settlement	1,495	1,994	(499)
Law Enforcement Trust	-	7,259	(7,259)
Fire and EMS Levy	1,204,643	1,189,643	15,000
Attorney General Police CEU Training	2,225	4,820	(2,595)
Ohio Health Improvement Zones	69,000	70,000	(1,000)
Water Operating	2,206,132	2,152,234	53,898
Sewer Operating	1,336,040	1,334,240	1,800
Waterworks Bond and Interest	107,796	111,000	(3,204)

2023	Posted in the Accounting System	Approved by Resolution	Variance
Fund			
Street Construction, Maintenance, and Repair	\$ 429,118	\$ 342,514	\$ 86,604
State Highway	12,260	19,282	(7,022)
Opiod Settlement	3,494	-	3,494
Water Operating	1,348,182	1,343,667	4,515
Sewer Operating	1,084,340	1,084,290	50
Sewer Bond	276,000	375,080	(99,080)

Variances between approved estimated receipt amounts and amounts recorded in the UAN system at December 31, 2024 and 2023 were as follows:

**VILLAGE OF NEW LEXINGTON
PERRY COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

FINDING 2024-002 – Material Weakness (Continued)

Appropriations and Estimated Resources Posted to the Accounting System (Continued)

2024 Fund	Estimated Receipts		
	Estimated Receipts per Amended Certificate	Posted to the Accounting System	Variance
General Fund	\$ 1,730,186	\$ 2,290,186	\$ (560,000)
Cemetery	36,400	38,200	(1,800)
Parks and Recreation	78,400	100,400	(22,000)
Federal Emergency Management Grant	-	160,500	(160,500)
Opiod Settlement	-	6,718	(6,718)
Drug Enforcement	500	-	500
Attorney General Police CEU Training	-	6,530	(6,530)
Police K9	-	8,500	(8,500)
Police Levy	-	352,872	(352,872)
Unmanned Aircraft System	-	14,045	(14,045)
Waterworks Bond and Interest	-	150,000	(150,000)
Sewer Bond	-	280,000	(280,000)
Guaranteed Water Deposits	-	2,100	(2,100)

2023 Fund	Estimated Receipts		
	Estimated Receipts per Amended Certificate	Posted to the Accounting System	Variance
General Fund	\$ 1,249,300	\$ 1,252,800	\$ (3,500)
Ohio Health Improvement Zones	-	75,300	(75,300)
Opiod Settlement	-	2,371	(2,371)
Sewer Operating	895,000	1,175,000	(280,000)

Village officials should be monitoring the budgetary activity in order to make informed decisions regarding Village finances. The proper recording of budgetary activity in the UAN system provides safeguards as the system is designed to let the fiscal officer know if budgetary violations will occur. Adjustments were made to the budgetary activity reported in notes to the financial statements in order to accurately present appropriations approved by Council and estimated receipts as certified by the County Budget Commission.

Management Response:

See Corrective Action Plan

**VILLAGE OF NEW LEXINGTON
PERRY COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING 2024-003 – Material Noncompliance (Continued)

Total Estimated Resources Exceeding Total Appropriations

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission. We noted the following appropriations exceeding estimated resources.

2024	Estimated Resources per Amended Certificate			Appropriations	Variance
Fund	\$	\$	\$	\$	\$
General Fund	\$ 2,349,994		\$ 2,648,917		\$ (298,923)
Federal Emergency Grant		1,608		160,500	(158,892)
Police K9		5,473		6,210	(737)
Ohio Health Improvement Zones		69,123		70,000	(877)
Police Levy		-		137,344	(137,344)
Unmanned Aircraft System		-		14,045	(14,045)
Waterworks Bond & Interest		15,837		111,000	(95,163)
Sewer Bond		888		276,000	(275,112)

2023	Estimated Resources per Amended Certificate			Appropriations	Variance
Fund	\$	\$	\$	\$	\$
Ohio Health Improvement Zones	\$ -		\$ 9,575		\$ (9,575)
Waterworks Bond & Interest		280,888		375,080	(94,192)

The Village Council should review the requirements of Ohio Revised Code Section 5705.39 to be familiar with this law. We recommend the Village regularly compare appropriations to estimated resources to ensure budgetary compliance.

Management Response:

See Corrective Action Plan

**VILLAGE OF NEW LEXINGTON
PERRY COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

FINDING 2024-004 – Noncompliance

Certifying the Availability of Funds

Ohio Revised Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision's fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

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

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

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by an ordinance or resolution adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 23% and 16% and of the expenditures tested for 2024 and 2023; respectively.

**VILLAGE OF NEW LEXINGTON
PERRY COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

FINDING 2024-003 – Noncompliance (Continued)

Certifying the Availability of Funds (Continued)

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, "then and now" certification should be used.

Management's Response:

See Corrective Action Plan.

**VILLAGE OF NEW LEXINGTON
PERRY COUNTY**

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

Finding Number	Finding Summary	Status	Additional Information
2022-001	Material Weakness - Village receipts, disbursements, and fund balances were not recorded in accordance with the Uniform Accounting Network handbooks. Also, not all major funds were presented in the notes to the financial statements.	Not Corrected	Still working on getting everything properly classified. Switched to Auditor of State Regulatory Basis of Accounting.

**VILLGE OF NEW LEXINGTON
PERRY COUNTY**

**CORRECTIVE ACTION PLAN
PREPARED BY MANAGEMENT**

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	Aware of the issue. Will review receipts when received to post correctly.	Immediately	Chelsey Lewis, Finance Director
2024-002	The Finance Director will monitor the budgetary activity and update the UAN System.	Immediately	Chelsey Lewis, Finance Director
2024-003	The Finance Director will closely monitor appropriations and estimated resources and make necessary changes to be in compliance.	Immediately	Chelsey Lewis, Finance Director
2024-004	The Finance Director will properly certify all disbursements and approve them prior to Invoices.	Immediately	Chelsey Lewis, Finance Director

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NEW LEXINGTON

PERRY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/8/2026

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

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