



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2014 and 2013
Fiscal Years Audited Under GAGAS: 2014 and 2013



Dave Yost • Auditor of State

Village Council
Village of New Holland
10 East Front Street
New Holland, Ohio 43145

We have reviewed the *Independent Auditor's Report* of the Village of New Holland, Pickaway County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2013 through December 31, 2014. 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 Holland is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 26, 2015

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Village of New Holland
Pickaway County, Ohio
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Independent Auditor's Report

Village of New Holland
Pickaway County
10 East Front Street
New Holland, Ohio 43145

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of New Holland, Pickaway County, (the Village), as of and for the years ended December 31, 2014 and 2013.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory basis of accounting GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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* paragraph, the financial statements referred to above 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, 2014 and 2013, or changes in financial position or cashflows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of New Holland, Pickaway County, as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2015, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering the Village's internal control over financial reporting and compliance.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Worthington, Ohio
April 20, 2015

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$ 23,707	\$ 51,515	\$ 75,222
Intergovernmental	21,436	51,876	73,312
Special Assessments	-	12,670	12,670
Charges for Services	-	2,150	2,150
Fines, Licenses, and Permits	1,524	-	1,524
Earnings on Investments	796	131	927
Miscellaneous	7,858	2,626	10,484
	<u>55,321</u>	<u>120,968</u>	<u>176,289</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons & Property	400	11,746	12,146
Public Health Service	1,662	28,607	30,269
Leisure Time Activities	-	12,105	12,105
Community Environment	188	-	188
Transportation	-	21,570	21,570
General Government	33,164	511	33,675
Capital Outlay	-	16,731	16,731
	<u>35,414</u>	<u>91,270</u>	<u>126,684</u>
Total Cash Disbursements			
<i>Net Change in Fund Cash Balances</i>	19,907	29,698	49,605
Fund Cash Balances, January 1	<u>110,051</u>	<u>163,698</u>	<u>273,749</u>
Restricted	-	193,396	193,396
Assigned	383	-	383
Unassigned	129,575	-	129,575
	<u>129,958</u>	<u>193,396</u>	<u>323,354</u>
Fund Cash Balances, December 31			

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

VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	379,934
Total Operating Cash Receipts	379,934
Operating Cash Disbursements	
Personal services	73,709
Fringe benefits	12,053
Contractual services	83,995
Supplies and Materials	26,027
Other	5,400
Total Operating Cash Disbursements	201,184
<i>Operating Income (Loss)</i>	178,750
Non-Operating Receipts (Disbursements)	
Special Assessments	37,307
Capital Outlay	(85,415)
Other Debt Proceeds	40,440
Debt Service:	
Principal	(34,922)
Interest	(34,023)
Total Non-Operating Receipts (Disbursements)	(76,613)
<i>Income (Loss) Before Transfers</i>	102,137
Transfers and Advances	
Transfers-In	6,048
Transfers-Out	(6,048)
Total Transfers	-
<i>Net Change in Fund Cash Balances</i>	102,137
Fund Cash Balances, January 1	554,883
Fund Cash Balances, December 31	\$ 657,020

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

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$ 22,859	\$ 50,177	\$ 73,036
Intergovernmental	21,936	50,964	72,900
Special Assessments	-	11,745	11,745
Charges for Services	-	2,126	2,126
Fines, Licenses, and Permits	1,874	-	1,874
Earnings on Investments	1,673	280	1,953
Miscellaneous	334	1,646	1,980
	<u>48,676</u>	<u>116,938</u>	<u>165,614</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons & Property	1,654	10,889	12,543
Public Health Service	-	23,615	23,615
Leisure Time Activities	-	12,472	12,472
Community Environment	170	-	170
Transportation	-	34,647	34,647
General Government	32,696	698	33,394
Capital Outlay	-	16,937	16,937
	<u>34,520</u>	<u>99,258</u>	<u>133,778</u>
Total Cash Disbursements			
<i>Net Change in Fund Cash Balances</i>	14,156	17,680	31,836
Fund Cash Balances, January 1	<u>95,895</u>	<u>146,018</u>	<u>241,913</u>
Restricted	-	163,698	163,698
Assigned	219	-	219
Unassigned	<u>109,832</u>	<u>-</u>	<u>109,832</u>
Fund Cash Balances, December 31	<u><u>\$ 110,051</u></u>	<u><u>\$ 163,698</u></u>	<u><u>\$ 273,749</u></u>

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

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 361,437
Miscellaneous	2,137
	363,574
Operating Cash Disbursements	
Personal services	64,139
Fringe benefits	9,893
Contractual services	77,679
Supplies and Materials	27,897
Other	3,600
	183,208
<i>Operating Income (Loss)</i>	180,366
Non-Operating Receipts (Disbursements)	
Intergovernmental	143,507
Special Assessments	29,183
Other Debt Proceeds	797,000
Capital Outlay	(1,056,190)
Debt Service:	
Principal	(24,913)
Interest	(16,179)
	(127,592)
<i>Income (Loss) Before Transfers</i>	52,774
Transfers	
Transfers-In	52,725
Transfers-Out	(52,725)
	-
<i>Net Change in Fund Cash Balances</i>	52,774
Fund Cash Balances, January 1	502,109
Fund Cash Balances, December 31	\$ 554,883

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

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of New Holland, Pickaway 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. The Village is directed by a publicly-elected six-member Council. The Village provides water and sewer utilities and park operations (leisure time activities). The Village contracts with Pic-A-Fay Fire District for fire protection services.

The Village participates in two jointly governed organizations. Note 8 to the financial statements provides additional information for these entities. These organizations are:

Pic-A-Fay Joint Fire District: the Village Council approved an agreement with Perry Township, Pickaway County and Marion Township, Fayette County for the provision of fire protection. See Note 8 for further information.

New Holland Union Cemetery: the Village Council approved an agreement with Perry Township (the Township) for grounds maintenance, grave openings and closings and the sale of lots in Union Cemetery. See Note 8 for further information.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. 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(D) permit.

C. 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.

D. Fund Accounting

The Village uses fund accounting to segregate cash that is restricted as to use. The Village classifies its funds into the following types:

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting (continued)

1. General Fund:

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. 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 Fund – This fund receipts gasoline tax and motor vehicle tax money to construct, maintain and repair Village streets.

Permissive Motor Vehicle License Tax Fund – This fund receipts permissive motor vehicle tax money to maintain and repair roads that run through the Village.

Cemetery Fund – This fund receives real estate tax for the operation of New Holland Union Cemetery.

3. Capital Projects Funds:

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

Community Center Fund – This fund receives proceeds from the sale of assets and grant proceeds. The proceeds are being used to make improvements to the community center building.

4. Enterprise Funds:

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

Water Fund – This fund receives charges for services from residents to cover the cost of providing water services.

Sewer Fund – This fund receives charges for services from residents to cover the cost of providing sewer services.

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting (continued)

4. Enterprise Funds (continued):

Water and Sewer Debt Service Fund - This fund receives a utility surcharge to repay loan proceeds from the U.S. Department of Agriculture that financed Capital Projects.

Water Tower Construction Fund - This fund received loan proceeds from the Ohio Water Development Authority Program, grant proceeds from the U.S. Department of Agriculture and the Ohio Public Works Commission. These monies financed the construction of the Water Tower.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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.

2. 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.

3. 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 2014 and 2013 budgetary activity appears in Note 3.

F. 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:

1. Nonspendable

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

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Fund Balance (continued)

2. 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.

3. 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.

4. Assigned

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

5. 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.

G. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

H. 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 HOLLAND
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	<u>2014</u>	<u>2013</u>
Demand deposits	\$980,374	\$828,632
Total deposits:	<u>\$980,374</u>	<u>\$828,632</u>

Deposits: The Village’s deposits are insured by the Federal Deposit Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Village.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2014 and December 31, 2013, was as follows:

2014 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$41,207	\$55,321	\$14,114
Special Revenue	99,985	120,968	20,983
Enterprise	<u>406,887</u>	<u>463,729</u>	<u>56,842</u>
Total	<u>\$548,079</u>	<u>\$640,018</u>	<u>\$91,939</u>

2014 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
General	\$61,702	\$35,797	\$25,905
Special Revenue	135,294	92,463	42,831
Enterprise	<u>886,174</u>	<u>390,416</u>	<u>495,758</u>
Total	<u>\$1,083,170</u>	<u>\$518,676</u>	<u>\$564,494</u>

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

3. BUDGETARY ACTIVITY (CONTINUED)

2013 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$41,307	\$48,676	\$7,369
Special Revenue	77,005	116,938	39,933
Enterprise	<u>1,021,328</u>	<u>1,385,989</u>	<u>364,661</u>
Total	<u>\$1,139,640</u>	<u>\$1,551,603</u>	<u>\$411,963</u>

2013 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
General	\$46,793	\$34,739	\$12,054
Special Revenue	132,623	99,495	33,128
Enterprise	<u>1,576,211</u>	<u>1,334,524</u>	<u>241,687</u>
Total	<u>\$1,755,627</u>	<u>\$1,468,758</u>	<u>\$286,869</u>

4. PROPERTY TAX

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

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

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

5. DEBT

Debt outstanding at December 31, 2014 was as follows:

	Principal	Interest Rate
OPWC Loan #CT50I	\$127,925	0.00%
OPWC Loan #CT95M	48,533	0.00%
USDA Loan #91-03	241,300	5.25%
USDA Loan #91-05	521,617	2.50%
USDA Loan #91-07	210,800	2.50%
OWDA Loan #4689	173,117	1.50%
Bank Loan – Waterline*	40,440	0.75%
Total	\$1,363,732	

The Ohio Public Works Commission (OPWC) loan #CT501 relates to the wastewater treatment plant improvements project. The Village received original loan for \$170,566 for this project in 2009. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) loan #CT95M relates to a water tower construction project. The Village received original loan for \$52,000 for this project in 2013. The loan is collateralized by utility receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The USDA Loan #91-03 was initiated for the construction of the water and waste water treatment. In 1991, the Village received \$338,000 for the project. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover USDA debt service requirements.

During 2008, the Village effectively refinanced its existing OWDA loans (#4103 and #4476) by combining those loans with its OWDA Wastewater Treatment Plant Improvements Project loan (#4689); this new loan was awarded to the Village for an amount not to exceed \$216,527. The loan is collateralized by water and sewer receipts. The Village has set utility rates sufficient to cover OWDA debt service requirements.

In previous years, the Ohio Water Development Authority (OWDA) funded the waste water improvement project with an interim loan in the amount of \$734,705. The loan amount was subsequently replaced with USDA loans #91-05 and #91-07 in 2013. The original loans were for \$531,000 and \$214,000, respectively. The loans are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover USDA debt service requirements.

In 2014 the Village obtained a bank loan, for a water line replacement, in the amount of \$250,000. During 2014, \$40,440 was drawn from this funding. No amortization schedule is currently available.

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

5. DEBT (CONTINUED)

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

Year Ending December 31:	OWDA #4689	OPWC #CT50I	OPWC #CT95M	USDA #91-03	USDA #91-05	USDA #91-07
2015	\$8,928	\$8,528	\$1,733	\$20,368	\$21,100	\$8,470
2016	8,928	8,528	1,733	20,364	21,110	8,604
2017	8,928	8,528	1,733	20,339	21,170	8,505
2018	8,928	8,528	1,733	20,393	21,158	8,520
2019	8,928	8,528	1,733	20,420	21,140	8,533
2020-2024	44,638	42,642	8,667	101,910	105,806	42,595
2025-2029	44,638	42,643	8,667	101,882	105,860	42,641
2030-2034	44,638	0	8,667	81,471	105,817	42,662
2035-2039	26,783	0	8,667	0	105,736	42,606
2040-2044	0	0	5,200	0	105,805	42,622
2045-2049	0	0	0	0	105,743	42,648
2050-2053	0	0	0	0	83,154	34,129
Totals	\$205,337	\$127,925	\$48,533	\$387,147	\$823,599	\$332,535

*The bank loan has not been finalized; therefore, an amortization schedule is not available.

6. RETIREMENT SYSTEMS

The Village's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability.

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 10% of gross wages. The Village contributed an amount equal to 14% of participants' gross wages. The Village has paid all contributions required through December 31, 2014.

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. The Village has not incurred significant reduction in insurance coverage from the prior year by category or risk.

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

8. JOINTLY GOVERNED ORGANIZATIONS

Pic-A-Fay Joint Fire District: Perry Township, Pickaway County; Marion Township, Fayette County; and the Village of New Holland, Pickaway County in July 2001 created a separate legal entity for the provision of fire protection and other purposes prescribed in Ohio Revised Code Sections 505.37 through 505.44 to its residents by the creation of the Pic-A-Fay Joint Fire District (the Fire District).

The Fire District's three member Board of Trustees is comprised of one representative from each participating subdivision, with each member having an ongoing financial interest and responsibility proportionate to their interest in the District; each has an equal vote. The Board appoints a clerk to maintain all financial recordkeeping. The District's financial statements can be obtained by submitting a request to the Pic-A-Fay Joint Fire District, P.O. Box 385, New Holland, Ohio 43145.

New Holland Union Cemetery: The New Holland Union Cemetery (the Cemetery) is a jointly governed organization comprised of Perry Township (the Township) and the Village of New Holland (the Village). The Cemetery is directed by an appointed three member Board of Trustees, appointed by the Township and the Village. The Village receives taxes from the County Auditor and then remits those taxes to the Cemetery; taxes disbursed to the Cemetery totaled \$28,607 in 2014 and \$23,615 in 2013. The Cemetery provides grounds maintenance, grave openings and closings and the sale of lots. The Cemetery's financial statements can be obtained by submitting a request to P.O. Box 75, New Holland, Ohio 43145.

9. CONTINGENT LIABILITIES

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

10. RELATED PARTY TRANSACTIONS

The Village Administrator during the audit period is the owner of a company from which the Village contracted for repair services. The Village paid \$3,180.63 for these services in 2013.

11. INTERFUND TRANSFERS

The Village made transfers of \$6,048 and \$52,725 in 2014 and 2013, respectively, from the Water and Sewer funds to the Water and Sewer Debt funds to meet annual principal and interest requirements.



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Village of New Holland
Pickaway County
10 East Front Street
New Holland, Ohio 43145

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of New Holland, Pickaway County, (the Village) as of and for the years ended December 31, 2014 and 2013 and the related notes to the financial statements, and have issued our report thereon dated April 20, 2015, wherein we noted the Village followed financial reporting provisions that Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit, and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control testing and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Worthington, Ohio
April 20, 2015

Village of New Holland
Pickaway County
Schedule of Prior Audit Findings
December 31, 2014 and 2013

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2012-001	Material Weakness – Financial Statement Adjustments	Yes	

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Dave Yost • Auditor of State

VILLAGE OF NEW HOLLAND

PICKAWAY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 9, 2015**