



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY
DECEMBER 31, 2022 and 2021**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of New Straitsville
Perry County
P.O. Box 238
New Straitsville, Ohio 43766

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 Straitsville, Perry County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2022 and 2021, or the changes in financial position 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 the Village on the basis of the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 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 13 to the financial statements, the Village has suffered recurring losses from enterprise operations and has a negative fund balance in the Water Operating Enterprise Fund at December 31, 2022 and 2021 and the Police Special Revenue Fund at December 31, 2022. Note 13 also describes management's evaluation of the events and conditions and their plans to mitigate these matters. Our opinion is unmodified regarding this matter.

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 § 117.38 and Ohio Administrative Code 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 *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 April 10, 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.



Keith Faber
Auditor of State
Columbus, Ohio

April 10, 2025

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Village of New Straitsville
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, 2022

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 29,068	\$ 74,610	\$ -	\$ 103,678
Intergovernmental	28,487	115,891	-	144,378
Charges for Services	-	42,850	-	42,850
Fines, Licenses and Permits	2,258	-	-	2,258
Earnings on Investments	2	-	-	2
Miscellaneous	411	6,017	-	6,428
<i>Total Cash Receipts</i>	<u>60,226</u>	<u>239,368</u>	<u>-</u>	<u>299,594</u>
Cash Disbursements				
Current:				
Security of Persons and Property	-	120,526	-	120,526
Basic Utility Services	-	64,932	-	64,932
Transportation	-	54,227	-	54,227
General Government	53,272	6,464	-	59,736
Capital Outlay	-	3,200	166,900	170,100
Debt Service:				
Principal Retirement	-	8,345	-	8,345
Interest and Fiscal Charges	-	5,007	-	5,007
<i>Total Cash Disbursements</i>	<u>53,272</u>	<u>262,701</u>	<u>166,900</u>	<u>482,873</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>6,954</u>	<u>(23,333)</u>	<u>(166,900)</u>	<u>(183,279)</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	-	400	-	400
Transfers In	-	3,000	-	3,000
Transfers Out	(3,000)	-	-	(3,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(3,000)</u>	<u>3,400</u>	<u>-</u>	<u>400</u>
<i>Net Change in Fund Cash Balances</i>	<u>3,954</u>	<u>(19,933)</u>	<u>(166,900)</u>	<u>(182,879)</u>
<i>Fund Cash Balances, January 1</i>	<u>26,746</u>	<u>260,310</u>	<u>166,900</u>	<u>453,956</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 30,700</u>	<u>\$ 240,377</u>	<u>\$ -</u>	<u>\$ 271,077</u>

See accompanying notes to the basic financial statements

Village of New Straitsville
Perry County
Statement of Receipts, Disbursements
and Change in Fund Balance (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2022

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$ 347,252
<i>Total Operating Cash Receipts</i>	<u>347,252</u>
Operating Cash Disbursements	
Personal Services	60,032
Employee Fringe Benefits	8,876
Contractual Services	158,964
Supplies and Materials	60,666
Other	<u>1,090</u>
<i>Total Operating Cash Disbursements</i>	<u>289,628</u>
<i>Operating Income</i>	<u>57,624</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental	640
Loans Issued	1,198,123
Miscellaneous Receipts	1,672
Principal Retirement	(1,141,327)
Interest and Other Fiscal Charges	<u>(20,481)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>38,627</u>
<i>Income (Loss) before Transfers</i>	96,251
Transfers In	88,543
Transfers Out	<u>(88,543)</u>
<i>Net Change in Fund Cash Balances</i>	96,251
<i>Fund Cash Balance, January 1</i>	<u>(4,440)</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ 91,811</u></u>

See accompanying notes to the basic financial statements

Village of New Straitsville
Perry County
Statement of Additions, Deductions
and Change in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2022

	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	\$ 3,196
Intergovernmental	<u>10</u>
<i>Total Additions</i>	<u>3,206</u>
Deductions	
Distributions to Other Governments	5,333
Other Distributions	<u>346</u>
<i>Total Deductions</i>	<u>5,679</u>
<i>Net Change in Fund Balances</i>	(2,473)
<i>Fund Cash Balance, January 1</i>	<u>2,473</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements

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**VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY**

*Notes to the Financial Statements
For the Year Ended December 31, 2022*

Note 1 - Reporting Entity

The Village of New Straitsville, Perry County (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, street maintenance and repair, water and sewer utilities, park operations, and police, fire and emergency medical services.

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

The Village is affiliated with the New Straitsville-Coal Township Union Cemetery. The Village of New Straitsville and Coal Township appoint the Board of Trustees of the Union Cemetery. Taxes levied by the Village for cemetery maintenance are collected by Perry County, and distributed to the Union Cemetery. The Union Cemetery is a legally separate entity that prepares and files its own financial statements. The financial activity of the Union Cemetery is not included in the accompanying financial statements. The Auditor of State performs independent audits of the Union Cemetery.

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

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

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2022

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

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

Fire Department Fund This fund receives property tax money and contracted services revenue to provide fire protection and maintain fire equipment.

EMS Department Fund This fund receives contracted services revenue to provide EMS services and maintain EMS equipment.

Police Fund This fund receives property tax money to provide police protection.

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

Fire Station Expansion Project Fund The Fire Station Expansion Project fund accounts for and reports proceeds of general obligation bonds. The proceeds are restricted for construction of a new fire station.

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

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

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

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for Mayor's Court fines and forfeitures. The Village Mayor's Court became active April 2021. All fines collected are distributed according to law to the specified political subdivision monthly.

Basis of Accounting

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

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. 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 Budgetary Activity can be found in Note 4.

Deposits and Investments

The Village maintains all funds in a local checking account and a money market account in 2022.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

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

Fund Balance

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

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

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

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

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.

Note 3 - Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriations authority in the Village's General, Police, Fire, Water Operating, Sewer Operating and Sewer Payment funds in the amounts of \$9,331, \$12,107, \$30,967, \$99,601, \$84,157 and \$1,123,934, respectively, for the year ended December 31, 2022. Also contrary to Ohio law, at December 31, 2022, the Police and Water Operating funds had a cash deficit balance of \$24,962 and \$51,843. In addition, contrary to Ohio law, at December 31, 2022 the Village's appropriations exceeded the amount certified as available by the Budget Commission in the General, Police, and Water Operating funds by \$237, \$7,120 and \$24,137, respectively.

Note 4 - Budgetary Activity

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

Fund Type	2022 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$47,191	\$60,266	\$13,075
Special Revenue	560,556	242,768	(317,788)
Enterprise	327,961	1,636,230	1,308,269
Total	<u>\$935,708</u>	<u>\$1,939,264</u>	<u>\$1,003,556</u>

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2022

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$47,428	\$56,760	(\$9,332)
Special Revenue	296,039	264,912	31,127
Capital Projects	166,900	166,900	0
Enterprise	164,425	1,599,836	(1,435,411)
Total	\$674,792	\$2,088,408	(\$1,413,616)

Note 5 – Deposits

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

	2022
Demand deposits	\$362,888

Deposits

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

Note 6 – 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.

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

Note 7 – Risk Management

Risk Pool Membership

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

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remained unchanged effective November 1, 2021 and November 1, 2020. OPRM had 773 members as of December 31, 2022.

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

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

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

Note 8 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

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

Note 9 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022.

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Debt

Debt outstanding at December 31, 2022 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA #3939 - Elevated Storage Tank	68,603	3.25%
OWDA #6246 - Waterline and Meter Replacement	283,998	3.45%
OWDA #6284 - Generator Installation	15,411	1.50%
OWDA #7954 - Waterline Replacement Phase 2	403,397	0.00%
OWDA #9888 - Refinance USDA Loan 92-01	934,233	0.50%
OWDA #9889 - Refinance USDA Loan 92-03	189,701	0.50%
OWDA #9905 - Sanitary Sewer Improvements - Phase 1	53,905	0.00%
OPWC #CR04C - Water Storage Tank Replacement	2,385	2.00%
PNC Fire Station Expansion Project Bond #1	137,655	3.00%
PNC Fire Station Expansion Project Bond #2	20,900	3.00%
ODOT SIB Loan	75,473	3.00%
	<u>\$ 2,185,661</u>	

The sewer system mortgage revenue bonds were issued in 1999 to refund sewer system temporary revenue bonds that were issued in 1997 as interim financing for the sewer system construction project. The Village refinanced USDA loans 92-01 and 92-03 (revenue bonds) through the Ohio Water Development Authority at a lower interest rate during 2022. The Village has pledged sewer system revenue to pay the New OWDA loans #9888 and #9889. Payments are made from the Sewer Payment Fund.

The OWDA Elevated Storage Tank loan (#3939) was issued for the purpose of constructing an elevated storage tank. Payments are made from the Water Fund.

The OWDA Waterline & Meter Replacement loan (#6246) relates to the Village's waterline & meter replacement project with semi-annual payments of \$8,159 payable from the Water Fund.

The OWDA Generator Installation loan (#6284) relates to the Village's generator installation project with semi-annual payments of \$438 payable from the Sewer Fund.

The OWDA Waterline Replacement Phase 2 loan (#7954) relates to a new waterline project that began in 2016. The project is completed but the loan is still incomplete as of December 31, 2022, therefore an amortization schedule and repayment terms were not available.

The OWDA Sanitary Sewer Improvements Phase 1 Design loan (#9905) relates to sewer improvement project that began in 2022. The project and loan is still ongoing as of December 31, 2022, therefore an amortization schedule and repayment terms were not available.

The OPWC Water Storage Tank Replacement loan (CR04C) relates to a water storage tank project with semi-annual payments of \$487 payable from the Water Fund.

The Village obtained bonds for the expansion project of the Fire House. These were then purchased and held by the Peoples State Bank. First bond loan was for \$144,900 with an annual payment of \$11,592 and the second bond loan was for \$22,000 with an annual payment of \$1,760. Fire protection services revenue has been pledged to make the annual payments.

**VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY**

*Notes to the Financial Statements
For the Year Ended December 31, 2022*

The Village obtained a SIB Loan for Village enhancements in 2021. The project and loan is still ongoing as of December 31, 2022, therefore an amortization schedule and repayment terms were not available.

Amortization

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

Year Ending December 31:	USDA Refinanced OWDA	Elevated Storage Tank	Waterline & Meter Replacement	Genrator Installation	Water Replacement Phase 2	Water Storage Tank Replacement	Fire Station Bonds 1	Fire Station Bonds 2
2023	71,127	6,789	16,317	876	0	975	11,375	1,727
2024	71,127	6,788	16,317	876	14,951	574	11,157	1,694
2025	71,127	6,789	16,317	876	14,951		10,940	1,661
2026	71,127	6,788	16,317	876	14,951		10,723	1,628
2027	71,127	6,789	16,317	876	14,951		10,505	1,595
2028-2032	355,633	33,943	81,585	4,380	74,757		49,266	7,480
2033-2037	355,633	6,789	81,585	4,380	74,757		43,832	6,655
2038-2042	106,690		81,585	4,380	74,757		31,154	4,730
2043-2047			24,476	438	74,757			
2048-2050					29,903			
Total	<u>\$1,173,591</u>	<u>\$74,674</u>	<u>\$350,816</u>	<u>\$17,959</u>	<u>\$388,733</u>	<u>\$1,549</u>	<u>\$178,952</u>	<u>\$27,170</u>

Note 11 – Transfers

During 2022 the following transfers were made:

	Transfers-In	Transfers-Out
General Fund	\$	\$ (3,000.00)
Police Fund	3,000.00	
Sewer Operating Fund		(15,400.00)
Sewer Payment Fund	88,542.50	
Sewer Reserve Fund		(73,142.50)
	<u>\$ 91,542.50</u>	<u>\$ (91,542.50)</u>

The Village transferred \$7,000 per month from the Sewer Operating Fund to the Sewer Payment Fund per the agreement with USDA for February through March until the refinancing was completed by OWDA. The Village transferred \$700 each month (February through March) from the Sewer Operating Fund to the Sewer Reserve Fund to build reserves for the annual debt payment. Once the OWDA refinancing was completed, there was no need to have the Sewer Reserve fund. So per Council authorization, the balance of the Sewer Reserve fund (\$73,142.50) was transferred to the Sewer Payment fund. The Village also transferred a total of \$3,000 (\$1,000 each month May through July) from the General Fund to the Police Fund to reduce deficit balance. Transfers were deemed allowable and in compliance with Ohio Rev. Code.

Note 12 – Contingent Liabilities

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

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 – Financial Distress

Police fund had a negative net change in fund cash balance due to disbursements exceeding receipts. The Village Legislative Authority transferred a total of \$3,000 during the months of May, June and July in hopes that the Police Department would be able to be up and running and reduce deficit. Mayor's Court was restarted and the Village share is split 50/50 between the General Fund and the Police Fund. The Village Legislative Authority placed a 5 mill property tax levy on the November ballot and it passed by the voters. This levy was put into effect as of January 1, 2022 and will be collected and disbursed by the County Auditor spring of 2023. The result of the 5 mill levy will resolve the deficit issue over time.

The Village expenses for the Water Operating funds have exceeded revenues in past years due to expenses incurred from the Waterline Replacement Phase 2 project. In 2022, the Water Operating fund had a deficit balance. In the process of refinancing the USDA loans for the wastewater treatment plant, the Village Legislative Authority passed an Ordinance to increase the water rates by 15% as well as the sewer rate by 15%. Increased cost of repairs has still left the Water Operating funds with a deficit balance. The Village Legislative Authority included in the rate increase ordinances that each January a 3% increase will occur. The Village assets are old and in need of replacement which repairs have been the majority cause of the deficit. All other funds have had total receipts exceeding total disbursements.

While the Village is in a positive cash balance position overall, a significant portion of the cash is in the Special Revenue Fire and Street Funds and the Proprietary Sewer Payment Fund. The use of these funds is limited either by statute, levy ballot language or debt covenant agreement and therefore, the Village is not permitted to use these monies to remedy the deficit balance.

Based on information currently available, the Village has begun a long-term plan to reduce losses in the Water Operating Fund. The Village Council is looking into new and enforcing policies regarding expenditure, internal controls, vendor selection, grants, outstanding receivables reviews, etc.

The Auditor of State has various remedies available to it, the most severe of which include placing the Village on fiscal watch or fiscal emergency. The Village does not know if such action will be taken.

Note 14 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	488	2,214	2,702
<i>Total</i>	<u>\$488</u>	<u>\$2,214</u>	<u>\$2,702</u>

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

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Village of New Straitsville
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, 2021

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 34,027	\$ 79,898	\$ -	\$ 113,925
Intergovernmental	15,165	88,232	-	103,397
Charges for Services	890	27,150	-	28,040
Fines, Licenses and Permits	3,241	-	-	3,241
Earnings on Investments	44	8	-	52
Miscellaneous	135	1,647	-	1,782
<i>Total Cash Receipts</i>	<u>53,502</u>	<u>196,935</u>	<u>-</u>	<u>250,437</u>
Cash Disbursements				
Current:				
Security of Persons and Property	-	127,114	-	127,114
Leisure Time Activities	-	3,523	-	3,523
Basic Utility Services	-	10,039	-	10,039
Transportation	-	131,441	-	131,441
General Government	57,150	7,736	-	64,886
Debt Service:				
Principal Retirement	-	108	-	108
<i>Total Cash Disbursements</i>	<u>57,150</u>	<u>279,961</u>	<u>-</u>	<u>337,111</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(3,648)</u>	<u>(83,026)</u>	<u>-</u>	<u>(86,674)</u>
Other Financing Receipts (Disbursements)				
Sale of Bonds	-	-	166,900	166,900
Loans Issued	-	73,473	-	73,473
Sale of Capital Assets	-	10,650	-	10,650
Transfers In	-	776	-	776
Transfers Out	(776)	-	-	(776)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(776)</u>	<u>84,899</u>	<u>166,900</u>	<u>251,023</u>
<i>Net Change in Fund Cash Balances</i>	<u>(4,424)</u>	<u>1,873</u>	<u>166,900</u>	<u>164,349</u>
<i>Fund Cash Balances, January 1 (Restated, Note 16)</i>	<u>31,170</u>	<u>258,437</u>	<u>-</u>	<u>289,607</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 26,746</u>	<u>\$ 260,310</u>	<u>\$ 166,900</u>	<u>\$ 453,956</u>

See accompanying notes to the basic financial statements

Village of New Straitsville
Perry County
Statement of Receipts, Disbursements
and Change in Fund Balance (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2021

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$ 342,814
<i>Total Operating Cash Receipts</i>	<u>342,814</u>
Operating Cash Disbursements	
Personal Services	66,545
Employee Fringe Benefits	9,848
Contractual Services	137,641
Supplies and Materials	73,717
Other	<u>1,449</u>
<i>Total Operating Cash Disbursements</i>	<u>289,200</u>
<i>Operating Income</i>	<u>53,614</u>
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	985
Capital Outlay	(501)
Principal Retirement	(84,518)
Interest and Other Fiscal Charges	<u>(44,862)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(128,896)</u>
<i>Income (Loss) before Capital Contributions, Transfers and Advances</i>	(75,282)
Capital Contributions	1,817
Transfers In	92,400
Transfers Out	<u>(92,400)</u>
<i>Net Change in Fund Cash Balances</i>	(73,465)
<i>Fund Cash Balance, January 1</i>	<u>69,025</u>
<i>Fund Cash Balance, December 31</i>	<u>\$ (4,440)</u>

See accompanying notes to the basic financial statements

Village of New Straitsville
Perry County
Statement of Additions, Deductions
and Change in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021

	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	\$ 7,323
<i>Total Additions</i>	<u>7,323</u>
Deductions	
Distributions to Other Governments	<u>4,850</u>
<i>Total Deductions</i>	<u>4,850</u>
<i>Net Change in Fund Balances</i>	2,473
<i>Fund Cash Balance, January 1</i>	<u>0</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ 2,473</u></u>

See accompanying notes to the basic financial statements

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**VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY**

*Notes to the Financial Statements
For the Year Ended December 31, 2021*

Note 1 - Reporting Entity

The Village of New Straitsville, Perry County (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, street maintenance and repair, water and sewer utilities, park operations, and police, fire and emergency medical services.

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

The Village is affiliated with the New Straitsville-Coal Township Union Cemetery. The Village of New Straitsville and Coal Township appoint the Board of Trustees of the Union Cemetery. Taxes levied by the Village for cemetery maintenance are collected by Perry County, and distributed to the Union Cemetery. The Union Cemetery is a legally separate entity that prepares and files its own financial statements. The financial activity of the Union Cemetery is not included in the accompanying financial statements. The Auditor of State performs independent audits of the Union Cemetery.

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

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

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2021

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

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

Fire Department Fund This fund receives property tax money and contracted services revenue to provide fire protection and maintain fire equipment.

Police Fund This fund receives property tax money to provide police protection.

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.

Water Construction Fund The water construction fund receives grants and loans for the waterline replacement phase 2 project.

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

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for Mayor's Court fines and forfeitures. The Village's Mayor's Court was inactive January 2017 through April 2021.

Basis of Accounting

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

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

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2021

Budgetary Process

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

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

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 4.

Deposits and Investments

The Village maintains all funds in a local checking account and a money market account in 2021.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

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

Fund Balance

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

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

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

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

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2021

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.

Note 3 - Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriations authority in the Village's Police, Water Operating, and Sewer Operating funds in the amounts of \$15,198, \$56,587 and \$120,562, respectively, for the year ended December 31, 2021. Also contrary to Ohio law, at December 31, 2021, the Police, Water Operating, Sewer Operating fund had a cash deficit balance of \$13,570, \$47,533, and \$38,621, respectively.

Note 4 - Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$83,561	\$53,502	(\$30,059)
Special Revenue	271,044	281,834	10,790
Capital Projects	166,900	166,900	0
Enterprise	397,083	438,016	40,933
Total	<u>\$918,588</u>	<u>\$940,252</u>	<u>\$21,664</u>

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$77,095	\$57,926	(\$19,169)
Special Revenue	149,081	279,961	130,880
Enterprise	164,425	511,481	347,056
Total	<u>\$390,601</u>	<u>\$849,368</u>	<u>\$458,767</u>

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 5 – Deposits

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

	<u>2021</u>
Demand deposits	<u>\$451,989</u>

Deposits

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

Note 6 – 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.

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

Note 7 – Risk Management

Risk Pool Membership

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

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

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2021

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

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

Note 8 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Note 9 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021.

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Debt

Debt outstanding at December 31, 2021 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Sewer System Mortgage Bond 92-01	\$ 920,000	3.25%
Sewer System Mortgage Bond 92-03	187,000	3.25%
OWDA #3939 - Elevated Storage Tank	71,462	3.25%
OWDA #6246 - Waterline and Meter Replacement	289,264	3.45%
OWDA #6284 - Generator Installation	15,732	1.50%
OWDA #7954 - Waterline Replacement Phase 2	410,945	0.00%
OWDA #8600 - Sewer System Evaluation Study	(1,950)	0.00%
OPWC #CR04C - Water Storage Tank Replacement	2,825	2.00%
PNC Fire Station Expansion Project Bond #1	144,900	3.00%
PNC Fire Station Expansion Project Bond #2	22,000	3.00%
ODOT SIB Loan	75,473	3.00%
	<u>\$ 2,137,651</u>	

The sewer system mortgage revenue bonds were issued in 1999 to refund sewer system temporary revenue bonds that were issued in 1997 as interim financing for the sewer system construction project. The Village has pledged sewer system revenue to pay the mortgage revenue bonds. Payments are made from the Sewer Payment Fund.

The OWDA Elevated Storage Tank loan was issued in August of 2003 with semi-annual payments of \$3,394 from the Water Fund and was for the purpose of constructing an elevated storage tank.

The OWDA Waterline & Meter Replacement loan relates to the Village's waterline & meter replacement project with semi-annual payments of \$8,159 payable from the Water Fund.

The OWDA Generator Installation loan relates to the Village's generator installation project with semi-annual payments of \$438 payable from the Sewer Fund.

The OWDA Waterline Replacement Phase 2 loan relates to a new waterline project that began in 2016. The project is completed but the loan is still incomplete as of December 31, 2021, therefore an amortization schedule and repayment terms were not available.

The OWDA Sewer System Evaluation Study loan was issued in 2020. The project and loan is still ongoing as of December 31, 2021, therefore an amortization schedule and repayment terms were not available.

The OPWC Water Storage Tank Replacement loan relates to a water storage tank project with semi-annual payments of \$487 payable from the Water Fund.

The Village obtained bonds for the expansion project of the Fire House. These were then purchased and held by the Peoples State Bank. First bond loan was for \$144,900 with an annual payment of \$11,592.00 and the second bond loan was for \$22,000 with an annual payment of \$1,760.00. Fire protection services revenue has been pledged to make the annual payments.

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2021

The Village entered into a loan agreement in January 2016 for the purchase of a Polaris Ranger with monthly payments of \$419 for 5 years. The Ranger collateralized the loan. Payments are made from the Street Construction Maintenance and Repair, Water and Sewer Funds. This loan was paid in full as of January 2021.

The Village obtained a SIB Loan for Village enhancements in 2021. The project and loan is still ongoing as of December 31, 2021, therefore an amortization schedule and repayment terms were not available.

Amortization

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

Year Ending December 31:	USDA Bonds	Elevated Storage Tank	Waterline & Meter Replacement	Generator Installation	Water Replacement Phase 2	Water Storage Tank Replacement	Fire Station Bonds 1	Fire Station Bonds 2
2022	81,977	\$3,394	\$8,159	\$438	14,951	\$975	\$11,592	\$1,760
2023	82,483	6,789	16,317	876	14,951	975	11,375	1,727
2024	82,922	6,788	16,317	876	14,951	575	11,157	1,694
2025	82,298	6,789	16,317	876	14,951	0	10,940	1,661
2026	82,298	6,788	16,317	876	14,951	0	10,723	1,628
2027-2031	409,420	33,943	81,585	4,380	74,757	0	50,353	7,645
2032-2036	411,370	13,577	81,585	4,380	74,757	0	44,919	6,820
2037-2041	246,145	0	81,585	4,380	74,757	0	39,485	5,995
2042-2046	0	0	40,793	1,314	74,757	0	0	0
2047-2050	0	0	0	0	37,162	0	0	0
Total	<u>\$1,478,913</u>	<u>\$78,068</u>	<u>\$358,975</u>	<u>\$18,396</u>	<u>\$410,945</u>	<u>\$2,525</u>	<u>\$190,544</u>	<u>\$28,930</u>

Note 11 – Transfers

During 2021 the following transfers were made:

	Transfers In	Transfers Out
General Fund		(\$776)
Delyn Fund	590	
CARES Act (COVID 19) Fund	186	
Sewer Operating Fund		(92,400)
Sewer Payment Fund	84,000	
Sewer Reserve Fund	8,400	
	<u>\$93,176</u>	<u>(\$93,176)</u>

The Village transferred \$7,000 per month from the Sewer Operating Fund to the Sewer Payment Fund per the agreement with USDA for January through December. The Village transferred \$700 each month from the Sewer Operating Fund to the Sewer Reserve Fund to build reserves for the annual debt payment. The Village also transferred \$776 from the General Fund to the Delyn (\$590) and Cares Act (\$186) Funds to eliminate the deficit in each respective Fund. Transfers were deemed allowable and in compliance with Ohio Rev. Code.

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 – Contingent Liabilities

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

Note 13 – Financial Distress

The Village expenses for the Water Operating funds have exceeded revenues in past years due to expenses incurred from the Waterline Replacement Phase 2 project. In 2021, the Sewer Operating fund had a negative net change in fund cash balance due to transfers out to pay for sewer debt payments as required by debt covenants. Police fund had a negative net change in fund cash balance due to disbursements exceeding receipts. All other funds have generally had total receipts exceeding total disbursements.

While the Village is in a positive cash balance position overall, a significant portion of the cash is in the Special Revenue Fire and Street Funds and the Proprietary Sewer Reserve Fund. The use of these funds is limited either by statute, levy ballot language or debt covenant agreement and therefore, the Village is not permitted to use these monies to remedy the deficit balance.

Based on information currently available, the Village has begun a long-term plan to reduce losses in the Water Operating Fund. The Village Council is also looking into new and enforcing policies regarding expenditure, internal controls, vendor selection, grants, outstanding receivables reviews, etc.

The Auditor of State has various remedies available to it, the most severe of which include placing the Village on fiscal watch or fiscal emergency. The Village does not know if such action will be taken.

Note 14 – 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. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village even in 2021. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 15 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Village had no Unclaimed Monies or Outstanding Encumbrances.

The fund balance of special revenue funds is either restricted or committed.

VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 16 – Restatement of Fund Balances

The Village's beginning fund balances were restated due to the Village posting an outstanding adjustment from a prior audit period to increase the General Fund and decrease the Police Special Revenue Fund.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Fund Cash Balance, December 31, 2020	\$29,515	\$260,092
Adjustment	<u>1,655</u>	<u>(1,655)</u>
Fund Cash Balance, January 1, 2021	<u><u>\$31,170</u></u>	<u><u>\$258,437</u></u>

OHIO AUDITOR OF STATE KEITH FABER



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

Village of New Straitsville
Perry County
P.O. Box 238
New Straitsville, Ohio 43766

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of New Straitsville, Perry County, Ohio (the Village), and have issued our report thereon dated April 10, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit wherein we noted the Village has suffered recurring losses in the Water and Police Funds.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2022-001 through 2022-006 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2022-001 through 2022-004.

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 Schedule of Findings. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

April 10, 2025

**VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

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

FINDING NUMBER 2022-001

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.09(C) requires each subdivision to establish a bond retirement fund, for the retirement of serial bonds, notes, or certificates of indebtedness. Additionally, **Ohio Rev. Code § 5705.09(E)** requires each subdivision to establish a special bond fund for each bond issue:

The Village issued Fire Station Expansion Project Bonds in the amount of \$166,900 during 2021 and began making payments toward the debt during 2022 in the amounts of \$8,345 principal and \$5,007 interest. The Village did not establish a capital projects fund as a special fund to record the bond issue and related project expenditures in 2021. The Village also did not establish a debt service fund to account for the retirement of the bond beginning in 2022.

A misstatement was noted that bond proceeds for the Fire Station Expansion Project in the amount of \$166,900 were incorrectly recorded as Miscellaneous Revenue in the Fire Fund rather than Sale of Bonds in a Capital Projects Fund or other special bond fund for the bond issue in 2021. Additionally, a misstatement was noted that construction expenses in the amount of \$166,900 were incorrectly recorded as Security of Persons and Property within the Fire Fund rather than Capital Outlay in a Capital Projects Fund in 2022.

Audit adjustments, with which management has agreed, are reflected in the accompanying financial statements. In addition to the adjustments listed above, we also identified immaterial misstatements for recording debt payments and related revenue in the amount of \$13,352 within the Fire Fund rather than a bond retirement fund that we have brought to the Village's attention.

The Village should establish the proper funds when issuing and retiring bonds. The Village should also follow bond and statutory requirements for securing the proper revenues for the repayment of bonds, such as a levy for the purposes of bond retirement.

Officials Response: We did not receive a response from officials to the finding reported above.

FINDING NUMBER 2022-002

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.10(I) requires that money paid into any fund shall be used only for the purposes for which such fund is established.

Therefore, a negative fund cash balance in any fund indicates that money from another fund or funds has been used to pay the obligations of the fund carrying the deficit balance.

The Water Operating fund had a deficit fund balance of \$51,843 and \$47,533 at December 31, 2022 and 2021, respectively. The Police fund had a deficit fund balance of \$24,962 and \$13,570 at December 31, 2022 and 2021, respectively. The Sewer Operating fund had a deficit fund balance of \$38,621 at December 31, 2021, in addition to multiple deficit fund balances throughout 2022. There were also negative fund balances noted throughout 2021 in the following funds: Delyn and Coronavirus Relief funds.

**VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2022-002 (Continued)

Noncompliance and Material Weakness

Negative fund balances could result in the use of restricted receipts for unallowable purposes. Procedures and controls, such as the Fiscal Officer and Council's periodic review of reports that show cash fund balances, and budgeted versus actual receipts and disbursements, should be implemented to identify those funds that may potentially develop a negative balance.

Advances or transfers should be made for these funds or appropriations modified to prevent a negative cash balance. The Village should refer to Ohio Compliance Supplement (OCS) Chapter 1 and/or Auditor of State Bulletin 97-003 for information regarding the accounting treatment and approval process for advances.

Officials Response: Refer to the additional information in the Summary Schedule of Prior Audit Findings.

FINDING NUMBER 2022-003

Noncompliance and Material Weakness

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, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

At December 31, 2022 the Village's appropriations exceeded the amount certified as available by the budget commission in the General, Police, and Water Operating funds by \$237, \$7,120, and \$24,137, respectively.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Village's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Council to reduce the appropriations.

Officials Response: Refer to the additional information in the Summary Schedule of Prior Audit Findings.

**VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2022-004

Noncompliance and Material Weakness

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

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village's General, Fire, Police, Water Operating, Sewer Operating and Sewer Payment funds had expenditures in excess of appropriations of \$9,331, \$12,107, \$30,967, \$99,601, \$84,157 and \$1,123,934, respectively as of December 31, 2022. Additionally, the Village's Police, Water Operating, and Sewer Operating funds had expenditures in excess of appropriations of \$15,198, \$56,587, and \$120,562, respectively, as of December 31, 2021.

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

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

Officials Response: Refer to the additional information in the Summary Schedule of Prior Audit Findings.

FINDING NUMBER 2022-005

Material Weakness

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

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Village and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amounts appropriated by the Council are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

**VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2022-005 (Continued)

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Council were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/ amendments thereof) were not properly posted to the accounting system.

At December 31, 2022, estimated receipts approved by the Budget Commission did not agree to the Village's ledgers for the following funds:

<u>Fund</u>	<u>Approved Amount</u>	<u>UAN Amount</u>	<u>Variance</u>
General	\$ 22,100	\$ 35,705	\$ 13,605
Police	22,100	32,014	9,914

At December 31, 2021, estimated receipts approved by the Budget Commission did not agree to the Village's ledgers for the following funds:

<u>Fund</u>	<u>Approved Amount</u>	<u>UAN Amount</u>	<u>Variance</u>
General	\$52,235	\$53,932	\$1,697
Fire Department	70,885	223,785	152,900
Police	39,972	40,195	223
Water Operating	158,979	192,171	33,192

At December 31, 2022, appropriations approved by the Village Council did not agree to the Village's ledgers for the following funds:

<u>Fund</u>	<u>Approved Amount</u>	<u>UAN Amount</u>	<u>Variance</u>
General	\$47,428	\$61,033	\$13,605
Fire Department	232,914	284,775	51,861
Police	15,650	18,444	2,794
Water Operating	96,605	72,231	(24,374)
Sewer Operating	67,820	81,379	13,559

At December 31, 2021, appropriations approved by the Village Council did not agree to the Village's ledgers for the following funds:

<u>Fund</u>	<u>Approved Amount</u>	<u>UAN Amount</u>	<u>Variance</u>
General	\$77,095	\$63,906	(\$13,189)
Fire Department	109,845	250,683	140,838
Police	39,122	40,528	1,406
Water Operating	135,584	135,861	277
Sewer Operating	116,890	190,060	73,170

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

**VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2022-005 (Continued)

Material Weakness (Continued)

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Officials Response: Refer to the additional information in the Summary Schedule of Prior Audit Findings.

FINDING NUMBER 2022-006

Material Weakness

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

For the fiscal year ending December 31, 2022, the following misstatements were noted:

- Due to Fund Balance Adjustments posted to UAN during the year, beginning fund balance on the financial statements for the General Fund was inflated by \$237 and the Water Operating Fund was deflated by \$237.
- Homestead and Rollback receipts within the General Fund were incorrectly classified as Property Taxes rather than Intergovernmental in the amount of \$2,902
- Fire contract receipts in the Fire Fund were incorrectly classified as Property Taxes in the amount of \$26,000 rather than Charges for Services
- EMS contract receipts in the EMS Fund were incorrectly classified as Property Taxes in the amount of \$7,750 rather than Charges for Services
- Loan Proceeds on OWDA loan 8660 in the amount of \$20,284 were incorrectly classified as Miscellaneous Revenue rather than Loans Issued in the Sewer Operating Fund.
- The Village received \$53,905 in proceeds from OWDA loan 9905. Of this amount, \$35,570 was recorded incorrectly as Miscellaneous Revenue rather than Loans Issued in the Sewer Operating Fund. The remaining \$18,335 was not recorded. This portion was used to pay off OWDA loan 8660, thereby deflating Loans Issued and Principal Payments reported on the financial statements in the Sewer Operating Fund by \$18,335.
- The refinancing of USDA loans 92-01 and 92-03 with the issuance of OWDA loans 9888 and 9889 was not recorded, thereby deflating the principal and interest expense on the financial statements for the payoff of the USDA loan in the amounts of \$1,107,000 principal and \$16,934 interest within the Sewer Operating Fund and deflating the Loans Issued reported by a total of \$1,123,934 in the Sewer Operating Fund.

**VILLAGE OF NEW STRAITSVILLE
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2022-006 (Continued)

Material Weakness (Continued)

For the fiscal year ending December 31, 2021, the following misstatements were noted:

- Due to Fund Balance Adjustments posted to UAN during the year, beginning fund balance on the financial statements for the General Fund was inflated by \$114 and was deflated in the Coronavirus Relief Fund by \$4.
- Fire contract receipts in the Fire Fund were incorrectly classified as Intergovernmental in the amount of \$14,500 rather than Charges for Services.
- EMS contract receipts in the EMS Fund were incorrectly recorded as Intergovernmental in the amount of \$4,100 rather than Charges for Services.
- Loan Proceeds on SIB Loan 210001 in the amount of \$73,473 were incorrectly classified as Special Assessments rather than Loans Issued in the Street Construction, Maintenance and Repair Fund.

Additionally, we noted the Village's footnotes had the following errors:

- Adjustments were necessary for actual receipts and budgetary expenditures in the Budgetary Activity Note due to the adjustments noted above in both years and when budgetary amounts did not agree to appropriate measures.
- The demand deposit totals were reported as \$798,372 rather than \$362,887 in the Deposit Notes for the year ended December 31, 2022.
- Material corrections were made to the Debt Note outstanding balances, loan descriptions and amortization tables.

Audit adjustments and reclassifications, with which management has agreed, are reflected in the accompanying financial statements. In addition to the adjustments listed above, we also identified immaterial differences ranging from \$2,940 to \$9,650 that we have brought to the Village's attention. Additionally, the Village has an unadjusted misstatement totaling \$1,655 from a prior audit period impacting the General Fund and Police Fund.

Management should refer to the Village Officer's Handbook for proper classification and take additional care in posting transactions to the Village's ledgers and annual financial report in order to ensure the Village's year-end financial statements reflect the appropriate sources and uses of the Village's receipts and disbursements. Additionally, management should utilize the Auditor of State website to access resources to assist in accurate completion of the notes to the financial statements.

Officials Response: Refer to the additional information in the Summary Schedule of Prior Audit Findings.



Village of New Straitsville

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John S Roberts, Mayor

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Noncompliance with Ohio Rev. Code § 5705.10 (I) for having deficit fund balances.	Not Corrected	FO prints the Fund Status, Revenue Status and Appropriation Status for each council member at each and every monthly meeting. The Council is even verbally told that there is not enough funds for the bills that are occurring. Nothing is done. No plans are even discussed to make any corrections.
2020-002	Noncompliance with Ohio Rev. Code § 5705.39 for appropriations exceeding estimated resources.	Not Corrected	FO has tried to keep appropriations with the budget but purchases occur without prior council approval with no regard to budget. Mayor requested that a budget be set for the Water and Sewer department and the FO responded that is what is done at the beginning of the year for every department. FO tried to set up BC's to allow some control but there is never enough funding
2020-003	Noncompliance with Ohio Rev. Code § 5705.41(B) for expenditures exceeding appropriations.	Not Corrected	Water and Sewer rates are not keeping up with the expenditures. Council has been requested to increase the rates in both funds but they refuse to do anything about the deficit. They don't even discuss any kind of plan to fix the problems.
2020-004	Noncompliance with Ohio Rev. Code § 5705.41(D) for not properly encumbering.	Fully Corrected	
2020-005	Material Weakness for approved estimated receipts and appropriations not agreeing to those posted in the Village's accounting system.	Not Corrected	County Auditor sends the estimated resources in which the FO prepares the budget but when the funds do come in, they fall short of what we are proposed to receive. FO has had the levies renewed to keep up with the property value increases.
2020-006	Material Weakness regarding errors noted in the financial statements and footnotes.	Not Corrected	FO in the past did not understand the financial notes at all. Each year, she is learning more. Because this is a one stop shop with so many different job duties, taking UAN on-line training is impossible. Way to many interruptions.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NEW STRAITSVILLE

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 5/8/2025

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Phone: 614-466-4514 or 800-282-0370

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