



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of New Holland
10 East Main Street
New Holland, OH 43145

We have reviewed the *Independent Auditor's Report* of the Village of New Holland, Pickaway County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2021 through December 31, 2022. 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.

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Keith Faber
Auditor of State
Columbus, Ohio

July 25, 2023

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VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY

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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 Audit of the Financial Statements

Unmodified, Qualified, and Adverse Opinions

We have audited the financial statements of the Village of New Holland, Pickaway 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 year ended December 31, 2022 and for each governmental and proprietary fund type as of and for the year ended December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Additional Opinion Qualification

In our opinion, except for the possible effects of the matters described in the *Basis for Additional Opinion Qualification* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the fiduciary fund type combined total as of and for the year ended December 31, 2021, and related notes of the Village in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2022 and 2021, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

Basis for Additional Opinion Qualification

During 2021, the Village's mayor's court did not maintain accounting records sufficient to enable the Village to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, and prepare financial statements to include mayor's court activity. This activity should be accounted for in a custodial fund and should be included in the fiduciary fund type combined total opinion unit for the year ended December 31, 2021.

Due to the lack of properly maintained accounting records, the Village was unable to include mayor's court activity in the custodial fund type in a statement of additions, deductions and changes in fund balance for fiduciary fund types for the year ended December 31, 2021.

The accounting records and financial statements do not reflect all the financial transactions of the mayor's court and, therefore, we were unable to satisfy ourselves as to the additions, deductions or fund cash balance for the fiduciary fund type combined total as of and for the year ended December 31, 2021.

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

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

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion 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 Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, 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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Piketon, Ohio
June 28, 2023

VILLAGE OF NEW HOLLAND
PICKAWAY 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**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Taxes	\$ 22,620	\$ 75,318	\$ -	\$ -	\$ 97,938
Intergovernmental	36,674	105,358	-	-	142,032
Special Assessments	-	11,984	-	-	11,984
Charges for Services	-	675	-	-	675
Fines, Licenses, and Permits	49,671	-	-	-	49,671
Earnings on Investments	12,197	2,657	-	-	14,854
Miscellaneous	1,054	2,939	-	-	3,993
	<u>122,216</u>	<u>198,931</u>	<u>-</u>	<u>-</u>	<u>321,147</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
Security of Persons and Property	57,554	32,222	-	-	89,776
Public Health Services	2,548	30,175	-	-	32,723
Leisure Time Activities	-	17,052	-	-	17,052
Community Environment	80	-	-	-	80
Basic Utility Services	-	4,176	-	-	4,176
Transportation	-	32,083	-	-	32,083
General Government	30,981	3,890	-	-	34,871
Capital Outlay	-	33,239	-	-	33,239
Debt Service:					
Redemption of Principal	-	-	3,867	-	3,867
	<u>91,163</u>	<u>152,837</u>	<u>3,867</u>	<u>-</u>	<u>247,867</u>
Total Cash Disbursements					
Excess of Receipts Over/(Under) Disbursements	31,053	46,094	(3,867)	-	73,280
Other Financing Receipts (Disbursements):					
Transfers-In	-	138	3,867	-	4,005
Transfers-Out	-	(3,867)	-	(257)	(4,124)
	<u>-</u>	<u>(3,729)</u>	<u>3,867</u>	<u>(257)</u>	<u>(119)</u>
Total Other Financing Receipts (Disbursements)					
Net Change in Fund Cash Balances	31,053	42,365	-	(257)	73,161
Fund Cash Balances, January 1	23,663	397,488	-	257	421,408
Fund Cash Balances, December 31	<u>\$ 54,716</u>	<u>\$ 439,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 494,569</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 (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 461,250
Miscellaneous	757
	462,007
Total Operating Cash Receipts	462,007
Operating Cash Disbursements	
Personal services	179,401
Fringe benefits	26,248
Contractual services	116,308
Supplies and Materials	111,862
Other	19,484
	453,303
Total Operating Cash Disbursements	453,303
<i>Operating Income (Loss)</i>	<i>8,704</i>
Non-Operating Receipts (Disbursements)	
Loan Proceeds	829,741
Special Assessments	80,542
Miscellaneous Receipts	678
Capital Outlay	(53,766)
Debt Service:	
Principal	(881,275)
Interest	(33,579)
	(57,659)
Total Non-Operating Receipts (Disbursements)	(57,659)
<i>Income (Loss) Before Transfers and Advances</i>	<i>(48,955)</i>
Transfers and Advances	
Transfers-In	67,746
Transfers-Out	(67,627)
	119
Total Transfers and Advances	119
<i>Net Change in Fund Cash Balances</i>	<i>(48,836)</i>
Fund Cash Balances, January 1	1,156,919
	1,156,919
Fund Cash Balances, December 31	\$ 1,108,083

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

VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY

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

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	\$ 46,542
<i>Total Additions</i>	<u>46,542</u>
Deductions	
Other Distributions	<u>38,799</u>
<i>Total Deductions</i>	<u>38,799</u>
<i>Net Change in Fund Balances</i>	7,743
<i>Fund Cash Balances, January 1, As Restated in Note 13</i>	<u>236</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$7,979</u></u>

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

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of New Holland (the Village), Pickaway County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with Pic-A-Fay Fire District to receive fire protection services.

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

The Village participates in two jointly governed organizations, and a public entity risk pool. Notes 6 and 10 to the financial statements provide 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 10 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 10 for further information.

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Park Levy Fund The park levy fund receives property taxes and rental fees to be used for the maintenance and care of park facilities.

State Highway Fund the state highway fund receives gasoline tax and motor vehicle tax money for the purchasing of materials and supplies for the maintenance of roads. This fund is used only to purchase supplies, not to pay wages

Permissive Motor Vehicle Fund The permissive motor vehicle fund receives permissive motor vehicle tax money for the purchasing of materials and supplies for the maintenance of roads. This fund is used only to purchase supplies, not to pay wages

Village Street Lighting Fund The street construction and repair fund receives money from property tax

ARPA Fund The ARPA fund received money from the Federal Government for projects that enable the Village to recover from impacts due to the COVID-19 outbreak.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

Street N Main Debt Fund The memorial park fund accounts for and reports principal, transfers that are committed to the retirement of debt.

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:

OWDA Iron Filter Fund The municipal building construction fund accounts for and reports proceeds of general obligation bonds. The proceeds are restricted for construction of a new municipal building.

RPIG Iron Filter Fund The municipal building construction fund accounts for and reports proceeds of general obligation bonds. The proceeds are restricted for construction of a new municipal building.

OWDA 7832 WWTP Fund The municipal building construction fund accounts for and reports proceeds of general obligation bonds. The proceeds are restricted for construction of a new municipal building.

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

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

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

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. 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 activity.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

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

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

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

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

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

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

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

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

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

Note 3 – Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$166,750	\$122,216	(\$44,534)
Special Revenue	138,480	199,069	60,589
Debt Service	3,867	3,867	0
Capital Projects	0	0	0
Enterprise	613,717	1,440,714	826,997
Total	\$922,814	\$1,765,866	\$843,052

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$168,487	\$94,028	\$74,459
Special Revenue	242,366	157,894	84,472
Debt Service	3,867	3,867	0
Capital Projects	1,360,257	257	1,360,000
Enterprise	797,034	1,489,550	(692,516)
Total	\$2,572,011	\$1,745,596	\$826,415

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments

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

	<u>2022</u>
<i>Cash Management Pool:</i>	
Demand deposits	<u>\$1,249,762</u>
Total deposits	<u>1,249,762</u>
GIPS Investment	<u>360,869</u>
Total investments	<u>360,869</u>
Total carrying amount of deposits and investments held in the Pool (ties to FS)	<u><u>1,610,631</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the village did not have any unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 5 – Taxes

Property Taxes

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

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

Note 6 – Risk Management

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

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

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

	<u>2021</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$14,974,099

Workers’ Compensation

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

Six Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – 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. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022.

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

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loan #CT50I	\$63,972	0%
OWDA Loan #9762	\$178,604	0.50%
OWDA Loan #4689	\$119,519	1.50%
OPWC Loan #CT95M	\$35,534	0%
OWDA Loan #9760	\$449,975	0.75%
OWDA Loan #9761	\$180,252	0.50%
First State Bank Lease	\$10,948	4.41%
OPWC Loan #CQ42U	\$59,941	0%
OWDA Loan #7832	\$157,653	0.63%/0.50%
OWDA Loan #8415	\$178,397	0%
OPWC Loan #CQ36T	55,361	0%
Total	<u>\$1,490,156</u>	

The Ohio Public Works Commission (OPWC) loan #CT50I relates to the wastewater treatment plant improvements project. The Village received \$170,566 for this project in 2009. The loan is collateralized by water debt receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC) loan #CT95M relates to the water tower replacement project. The Village received \$52,000 for this project in 2012. The loan is collateralized by water debt receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

The Ohio Public Works Commission (OPWC) loan #CQ42U relates to the N. Main Street Improvement project. The Village received \$52,000 for this project in 2018. The loan is collateralized by the Street receipts.

During 2007 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 of \$215,037. The loan is collateralized by water and sewer receipts. The Village has set utility rates sufficient to cover OWDA debt service requirements.

The USDA Loans were initiated for the construction of the water treatment plant and Water Tower replacement in 1982 and 2012, respectively. The Village received USDA loan 91-03 \$338,000 and two loans for the Water Tower USDA loan 91-05 \$531,000 and USDA loan 91-07 for \$214,000 respectively for these projects. The loans are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover USDA debt service requirements.

During 2022, the Village effectively refinanced its existing USDA loans (91-03, 91-05, and 91-07) for a significantly lower interest rate saving the Village over \$200,000. OWDA #9762 Replaced 91-03 for \$187,823.67. OWDA 9760 replaced 91-05 for \$457,098.02. OWDA 9761 replaced 91-07 for 184.819.07

The USDA reserves that were in place were put back into the Water Fund (Other Enterprise Operating) to be used for improvements to the water system.

The Ohio Water Development Authority (OWDA) loan #7832 relates to the Waste Water Treatment Plant Spiral Screen project. The Village received \$220,357 for this project in 2019. The loan is collateralized by sewer receipts.

The Ohio Water Development Authority (OWDA) loan #8415 relates to the Water Treatment Plant Iron Filter Replacement project. The Village received \$192,252 for this project in 2020. The loan is collateralized by water receipts.

The Ohio Public Works Commission (OPWC) loan #CQ36T relates to the Waste Water Treatment Plant Spiral Screen project. The Village received \$61,512 for this project in 2020. The loan is collateralized by sewer receipts.

Leases

The Village leases two Police Cruisers under a non-cancelable lease. The Village disbursed \$4232.96 to pay lease costs for the year ended December 31, 2022

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Amortization

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

Year Ending December 31:	Leases	OPWC	OWDA
2023	\$4,633	\$21,589	\$74,717
2024	4,633	\$21,589	\$74,717
2025	2,316	\$21,589	\$74,717
2026	0	\$21,589	\$74,717
2027	0	\$21,589	\$74,717
2028-2032	0	\$93,013	\$373,577
2033-2037	0	13,850	\$277,207
2038-2042	0	0	190,763
2043-2047	0	0	123,798
2048-2052	0	0	100,219
Total	<u>\$11,582</u>	<u>\$214,808</u>	<u>\$1,439,149</u>

Note 10 – 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 Fire District; each has an equal vote. The Board appoints a clerk to maintain all financial recordkeeping. The Fire 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 \$23,246 in 2022. 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.

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Fund Balances

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

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$1,014	\$0	1,014
Outstanding Encumbrances	2,865	1,190	4,055
<i>Total</i>	\$3,879	\$1,190	\$5,069

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, debt service, and capital projects would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Note 13 – Restatement of Beginning Balances

In 2022, the Village completed reconciliations of the mayor’s court account and began accounting for this activity in a custodial fund. The balances of the custodial fund for January 1, 2022 were restated as follows:

	Custodial
2022 Beginning Fund Balance	\$ -
Adjustment	236
2022 Restated Beginning Fund Balance	\$ 236

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VILLAGE OF NEW HOLLAND
PICKAWAY 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**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Taxes	\$ 22,248	\$ 72,718	\$ -	\$ -	\$ 94,966
Intergovernmental	35,623	108,399	-	4,646	148,668
Special Assessments	-	12,045	-	-	12,045
Charges for Services	-	525	-	-	525
Fines, Licenses, and Permits	80,535	-	-	-	80,535
Earnings on Investments	1,338	271	-	-	1,609
Miscellaneous	6,093	15,261	-	-	21,354
	<u>145,837</u>	<u>209,219</u>	<u>-</u>	<u>4,646</u>	<u>359,702</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	118,069	12,141	-	-	130,210
Public Health Services	2,581	42,533	-	-	45,114
Leisure Time Activities	-	16,016	-	-	16,016
Community Environment	68	-	-	-	68
Transportation	-	26,293	-	-	26,293
General Government	39,425	285	-	-	39,710
Capital Outlay	-	20,018	-	29,761	49,779
Debt Service:					
Redemption of Principal	-	-	5,801	-	5,801
Interest and Fiscal Charges	-	-	-	-	-
	<u>160,143</u>	<u>117,286</u>	<u>5,801</u>	<u>29,761</u>	<u>312,991</u>
Excess of Receipts Over/(Under) Disbursements	(14,306)	91,933	(5,801)	(25,115)	46,711
Other Financing Receipts (Disbursements):					
Transfers-In	14,454	-	5,801	-	20,255
Transfers-Out	-	(20,255)	-	(9,120)	(29,375)
Other Financing Sources	66	-	-	1,644	1,710
	<u>14,520</u>	<u>(20,255)</u>	<u>5,801</u>	<u>(7,476)</u>	<u>(7,410)</u>
Total Other Financing Receipts (Disbursements)	14,520	(20,255)	5,801	(7,476)	(7,410)
Net Change in Fund Cash Balances	214	71,678	-	(32,591)	39,301
Fund Cash Balances, January 1, As Restated in Note 13	23,449	325,810	-	32,848	382,107
Fund Cash Balances, December 31	<u>\$ 23,663</u>	<u>\$ 397,488</u>	<u>\$ -</u>	<u>\$ 257</u>	<u>\$ 421,408</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 (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 418,155
Miscellaneous	4,800
	422,955
Total Operating Cash Receipts	422,955
Operating Cash Disbursements	
Personal services	173,162
Fringe benefits	25,036
Contractual services	86,292
Supplies and Materials	42,119
Other	1,887
	328,496
Total Operating Cash Disbursements	328,496
<i>Operating Income (Loss)</i>	<i>94,459</i>
Non-Operating Receipts (Disbursements)	
Loans Proceed	56,297
Special Assessments	68,620
Miscellaneous Receipts	7,795
Capital Outlay	(72,468)
Debt Service:	
Principal	(69,113)
Interest	(31,462)
	(40,331)
Total Non-Operating Receipts (Disbursements)	(40,331)
<i>Income (Loss) Before Transfers and Advances</i>	<i>54,128</i>
Transfers and Advances	
Transfers-In	29,922
Transfers-Out	(20,801)
	9,121
Total Transfers and Advances	9,121
<i>Net Change in Fund Cash Balances</i>	<i>63,249</i>
Fund Cash Balances, January 1, As Restated in Note 13	1,088,120
	1,151,369
Fund Cash Balances, December 31	\$ 1,151,369

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

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of New Holland (the Village), Pickaway County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with Pic-A-Fay Fire District to receive fire protection services.

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

The Village participates in two jointly governed organizations, and a public entity risk pool. Notes 6 and 10 to the financial statements provide 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 10 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 10 for further information.

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Park Levy Fund The park levy fund receives property taxes and rental fees to be used for the maintenance and care of park facilities.

State Highway Fund the state highway fund receives gasoline tax and motor vehicle tax money for the purchasing of materials and supplies for the maintenance of roads. This fund is used only to purchase supplies, not to pay wages

Permissive Motor Vehicle Fund The permissive motor vehicle fund receives permissive motor vehicle tax money for the purchasing of materials and supplies for the maintenance of roads. This fund is used only to purchase supplies, not to pay wages

Village Street Lighting Fund The street construction and repair fund receives money from property tax

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

Street N Main Debt Fund The memorial park fund accounts for and reports principal, transfers that are committed to the retirement of debt.

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:

OWDA Iron Filter Fund The municipal building construction fund accounts for and reports proceeds of general obligation bonds. The proceeds are restricted for construction of a new municipal building.

RPIG Iron Filter Fund The municipal building construction fund accounts for and reports proceeds of general obligation bonds. The proceeds are restricted for construction of a new municipal building.

OWDA 7832 WWTP Fund The municipal building construction fund accounts for and reports proceeds of general obligation bonds. The proceeds are restricted for construction of a new municipal building.

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

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

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

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

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

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 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. 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.

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

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 – 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	\$175,650	\$160,357	(\$15,293)
Special Revenue	124,383	209,219	84,836
Debt Service	256,600	5,801	(250,799)
Capital Projects	1,316,577	6,290	(1,310,287)
Enterprise	554,300	585,589	31,289
Total	\$2,427,510	\$967,256	(\$1,460,254)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$194,197	\$161,880	\$32,317
Special Revenue	321,916	137,943	183,973
Debt Service	5,801	5,801	0
Capital Projects	40,283	38,881	1,402
Enterprise	933,401	522,340	411,061
Total	\$1,495,598	\$866,845	\$628,753

Note 4 – Deposits and Investments

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

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$1,218,281
Total deposits	1,218,281
GIPS Investments	360,046
Total investments	360,046
Total carrying amount of deposits and investments held in the Pool (ties to FS)	<u>1,578,327</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the village did not have any unremitted employee payroll withholdings.

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 5 – Taxes

Property Taxes

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

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

Note 6 – Risk Management

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

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

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

	<u>2021</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$14,974,099

Workers' Compensation

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

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

Six Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Note 8 – 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 4.0 percent during calendar year 2021. was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loan #CT50I	\$72,501	0%
USDA Loan #91-03	\$178,100	5.00%
OWDA Loan #4689	\$126,574	1.50%
OPWC Loan #CT95M	\$37,267	0%
USDA Loan #91-05	\$460,716	2.50%
USDA Loan #91-07	\$186,300	2.50%
First State Bank Lease	\$15,000	4.41%
OPWC Loan #CQ42U	\$63,808	0%
OWDA Loan #7832	\$162,873	0.63%/0.50%
OWDA Loan #8415	\$183,982	1.03%
OPWC Loan #CQ36T	58,436	0%
Total	<u>\$1,545,557</u>	

The Ohio Public Works Commission (OPWC) loan #CT50I relates to the wastewater treatment plant improvements project. The Village received \$170,566 for this project in 2009. The loan is collateralized by water debt receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC) loan #CT95M relates to the water tower replacement project. The Village received \$52,000 for this project in 2012. The loan is collateralized by water debt receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC) loan #CQ42U relates to the N. Main Street Improvement project. The Village received \$52,000 for this project in 2018. The loan is collateralized by the Street receipts.

During 2007 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 of \$215,037. The loan is collateralized by water and sewer receipts. The Village has set utility rates sufficient to cover OWDA debt service requirements.

The USDA Loans were initiated for the construction of the water treatment plant and Water Tower replacement in 1982 and 2012, respectively. The Village received USDA loan 91-03 \$338,000 and two loans for the Water Tower USDA loan 91-05 \$531,000 and USDA loan 91-07 for \$214,000 respectively for these projects. The loans are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover USDA debt service requirements.

The USDA loans require the Village to establish and fund a debt service reserve fund, included as a debt service fund.

The Ohio Water Development Authority (OWDA) loan #7832 relates to the Waste Water Treatment Plant Spiral Screen project. The Village received \$220,357 for this project in 2019. The loan is collateralized by sewer receipts.

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The Ohio Water Development Authority (OWDA) loan #8415 relates to the Water Treatment Plant Iron Filter Replacement project. The Village received \$192,252 for this project in 2020. The loan is collateralized by water receipts.

The Ohio Public Works Commission (OPWC) loan #CQ36T relates to the Waste Water Treatment Plant Spiral Screen project. The Village received \$61,512 for this project in 2020. The loan is collateralized by sewer receipts.

Leases

The Village leases two Police Cruisers under a non-cancelable lease. The Village disbursed \$4246.88 to pay lease costs for the year ended December 31, 2021

Amortization

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

Year Ending December 31:	Leases	OPWC	OWDA	USDA
2022	\$4,633	\$21,589	\$28,192	\$31,446
2023	4,633	\$21,589	\$28,192	\$31,508
2024	4,633	\$21,589	\$28,192	\$31,303
2025	2,316	\$21,589	\$28,192	\$31,511
2026	0	\$21,589	\$28,192	\$31,446
2027-2031	0	\$93,013	\$140,955	\$150,174
2032-2036	0	31,054	\$140,955	156,408
2037-2041	0	0	80,214	156,463
2042-2046	0	0	37,329	147,615
2047-2051	0	0	29,863	147,466
2052-2056	0	0	0	58,957
Total	<u>\$16,215</u>	<u>\$232,012</u>	<u>\$570,276</u>	<u>\$974,297</u>

Note 10 – 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 Fire District; each has an equal vote. The Board appoints a clerk to maintain all financial recordkeeping. The Fire 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.

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 \$42,212 in 2021. This includes funds from 2020 that were not distributed due to COVID issues. 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.

Note 11 – Fund Balances

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

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$1,014	\$0	1,014
Outstanding Encumbrances	1,737	402	2,139
<i>Total</i>	\$2,751	\$402	\$3,153

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, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated

Village of New Holland, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 13 – Restatement of Beginning Balances

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>
2021 Beginning Fund Balance	\$ 19,107	\$ 323,094	\$ 1,096,228
Prior Period Accounting Errors	3,576	2,716	(8,108)
Voided Disbursements	766	-	-
2021 Restated Beginning Fund Balance	<u>\$ 23,449</u>	<u>\$ 325,810</u>	<u>\$ 1,088,120</u>



**INDEPENDENT AUDITOR'S 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 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 Holland, Pickaway County, (the Village) and have issued our report thereon dated June 28, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We qualified our opinion on the Fiduciary fund types due to the Village's mayor's court not maintaining accounting records sufficient to enable the Village to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, and prepare financial statements. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

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

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.



BHM CPA Group, Inc.
Piketon, Ohio

June 28, 2023

**Village of New Holland
Pickaway County
Schedule of Findings
December 31, 2022 and 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2022-001

Material Weakness – Financial Reporting

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

The following adjustments were noted in the following area for the year ended December 31, 2022 and applied to the audited financial statements and the Village’s ledgers, as appropriate:

- Loan Proceeds
- Capital Outlay
- Principal
- Other Financing Sources
- Numerous corrections and updates were required to the notes to the financial statements

A monitoring system should be in place to prevent or detect material misstatements for the accurate presentation of the Village's financial statements. Not posting receipts and disbursements accurately to the ledgers resulted in materially misstated financial statements requiring audit adjustments and reclassification entries, as well as inaccurate accounting records making it difficult for the Village Council to effectively manage and budget for the Village's activities.

We recommend the Village's Fiscal Officer take steps to help ensure the accurate posting of all transactions to the ledgers. Cash receipts and disbursements should be posted in accordance with procedures and posting guidelines established in the Uniform Accounting Network line item descriptions and AOS Bulletins. By exercising accuracy in recording financial activity, the Village can reduce posting errors and increase the reliability of the financial data throughout the year. In addition, the Village should establish financial recording and reporting control procedures, including review of the ledgers and financial reports by management or council.

Officials’ Response: We did not receive a response to the above finding.

FINDING NUMBER 2022-002

Material Weakness / Noncompliance

Ohio Administrative Code Section 117-2-02(A) directs all public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record, and report its transactions, maintain accountability for the related assets, and prepare financial statements required by Ohio Administrative Code Section 117-2-03.

**Village of New Holland
Pickaway County
Schedule of Findings
December 31, 2022 and 2021**

FINDING NUMBER 2022-002 (CONTINUED)

The Village's mayor's court does not have accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, and prepare financial statements. The mayor's court did not maintain a cash journal that documents receipts and disbursements by date, check number, as appropriate, classification, and a running fund balance total. Furthermore, no bank reconciliations were not completed during 2021 to reconcile mayor's court activity to the mayor's court bank statement.

Therefore, the Village was unable to include mayor's court activity in the custodial fund type in its statement of additions, deductions, and changes in fund balance fiduciary fund types for the year ended December 31, 2021.

We also noted the mayor's court failed to, in accordance with Ohio Rev. Code § 733.40, deposit amounts due to the Village and remit amounts due to the Circleville Municipal Court and the State of Ohio in 2021 in a timely manner.

We recommend that the mayor's court keep accurate records such as a cash journal that documents receipts and disbursements by date, check number, as appropriate, classification, and a running fund balance total. We further recommend that the mayor's court design, develop, and implement controls to ensure accurate posting and reconciliation of mayor's court accounting records to the mayor's court bank account activity so that the Village can report mayor's court activity in accordance with the accounting basis prescribed by Ohio Administrative Code Section 117-2-03(C). The mayor's court should timely deposit and remit amounts due to the Village and other governments as required by Ohio Rev. Code § 733.40.

Officials' Response: We did not receive a response to the above finding.

**Village of New Holland
Pickaway County
Summary Schedule of Prior Audit Findings
December 31, 2022 and 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Financial Statement Presentation – Material Weakness	Not Corrected	Reissued as Finding 2022-001, Corrective Action Plan included within Finding 2022-001
2020-002	Noncompliance - Ohio Rev. Code § 5705.38(C)	Corrected	N/A
2020-003	Noncompliance - Ohio Rev. Code § 5705.39	Corrected	N/A
2020-004	Material Weakness / Noncompliance – Ohio Administrative Code Section 117-2-02(A)	Not Corrected	Reissued as Finding 2022-002, Corrective Action Plan included within Finding 2022-002
2020-005	Noncompliance – Ohio Attorney General Opinion 82-006	Corrected	N/A

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NEW HOLLAND

PICKAWAY 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 8/8/2023

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

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