



OHIO AUDITOR OF STATE  
**KEITH FABER**





**VILLAGE OF FRAZEYSBURG  
MUSKINGUM COUNTY  
DECEMBER 31, 2022 and 2021**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2022.....	5
Statement of Receipts, Disbursements and Change in Fund Balance (Regulatory Cash Basis) - Proprietary Fund Type - For the Year Ended December 31, 2022 .....	6
Statement of Additions, Deductions and Change in Fund Balance (Regulatory Cash Basis) - Fiduciary Fund Type - For the Year Ended December 31, 2022 .....	7
Notes to the Financial Statements For the Year Ended December 31, 2022.....	9
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2021.....	19
Combined Statement of Receipts, Disbursements and Change in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Types - For the Year Ended December 31, 2021.....	20
Statement of Additions, Deductions and Change in Fund Balance (Regulatory Cash Basis) - Fiduciary Fund Type - For the Year Ended December 31, 2021 .....	21
Notes to the Financial Statements For the Year Ended December 31, 2021.....	23
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	33
Schedule of Findings.....	35

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## INDEPENDENT AUDITOR'S REPORT

Village of Frazeysburg  
Muskingum County  
7 West 2<sup>nd</sup> Street  
P.O. Box 160  
Frazeyburg, Ohio 43822

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 Frazeysburg, Muskingum 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 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 or, where applicable, cash flows thereof for the year then ended.

#### ***Basis for Opinions***

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

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

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

***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.

Village of Frazeysburg  
Muskingum County  
Independent Auditor's Report  
Page 3

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 September 16 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  
Ohio Auditor of State



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

September 16, 2025

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**Village of Frazeysburg**  
**Muskingum 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)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$40,253	\$139,571	\$0	\$179,824
Municipal Income Tax	216,853	0	0	216,853
Intergovernmental	28,900	169,789	0	198,689
Special Assessments	0	243	0	243
Charges for Services	5,978	42,630	0	48,608
Fines, Licenses and Permits	19,876	2,194	0	22,070
Earnings on Investments	327	107	0	434
Miscellaneous	<u>15,392</u>	<u>17,560</u>	<u>0</u>	<u>32,952</u>
<i>Total Cash Receipts</i>	<i>327,579</i>	<i>372,094</i>	<i>0</i>	<i>699,673</i>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	194,529	133,929	0	328,458
Public Health Services	1,298	0	0	1,298
Leisure Time Activities	5,412	58,732	0	64,144
Community Environment	105	0	0	105
Basic Utility Services	0	4,029	0	4,029
Transportation	0	151,811	0	151,811
General Government	89,312	5,154	0	94,466
Capital Outlay	<u>4,684</u>	<u>66,838</u>	<u>0</u>	<u>71,522</u>
<i>Total Cash Disbursements</i>	<i>295,340</i>	<i>420,493</i>	<i>0</i>	<i>715,833</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>32,239</i>	<i>(48,399)</i>	<i>0</i>	<i>(16,160)</i>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	0	6,788	0	6,788
Transfers In	0	14,399	5,784	20,183
Transfers Out	<u>(20,183)</u>	<u>0</u>	<u>0</u>	<u>(20,183)</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(20,183)</i>	<i>21,187</i>	<i>5,784</i>	<i>6,788</i>
<i>Net Change in Fund Cash Balances</i>	<i>12,056</i>	<i>(27,212)</i>	<i>5,784</i>	<i>(9,372)</i>
<i>Fund Cash Balances, January 1</i>	<i>91,140</i>	<i>244,786</i>	<i>3,656</i>	<i>339,582</i>
<i>Fund Cash Balances, December 31</i>	<i><u>\$103,196</u></i>	<i><u>\$217,574</u></i>	<i><u>\$9,440</u></i>	<i><u>\$330,210</u></i>

*See accompanying notes to the basic financial statements*

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

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	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$691,145
Miscellaneous	<u>8,010</u>
<i>Total Operating Cash Receipts</i>	<u>699,155</u>
<b>Operating Cash Disbursements</b>	
Personal Services	160,904
Fringe Benefits	102,861
Contractual Services	139,002
Supplies and Materials	109,032
Other	<u>840</u>
<i>Total Operating Cash Disbursements</i>	<u>512,639</u>
<i>Operating Income</i>	186,516
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental Receipts	2,635
Special Assessments	108
Earnings on Investments (proprietary funds only)	93
Sale of Capital Assets	6,788
Capital Outlay	(19,727)
Principal Retirement	(120,312)
Interest and Other Fiscal Charges	<u>(50,269)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(180,684)</u>
<i>Net Change in Fund Cash Balances</i>	5,832
<i>Fund Cash Balance, January 1</i>	<u>570,483</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$576,315</u></u>

*See accompanying notes to the basic financial statements*

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

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	<u>Custodial</u>
<b>Additions</b>	
Earnings on Investments (trust funds only)	\$2
Other Amounts Collected for Distribution	<u>24,545</u>
<i>Total Additions</i>	<u>24,547</u>
<b>Deductions</b>	
Distributions to Other Governments	5,041
Distributions to Other Funds (Primary Gov't)	<u>19,506</u>
<i>Total Deductions</i>	<u>24,547</u>
<i>Net Change in Fund Balances</i>	0
<i>Fund Cash Balance, January 1</i>	<u>315</u>
<i>Fund Cash Balance, December 31</i>	<u>\$315</u>

*See accompanying notes to the basic financial statements*

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**Village of Frazeysburg, Ohio**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

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**Note 1 – Village of Frazeysburg**

The Village of Frazeysburg (the Village), Muskingum 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, swimming pool and police services. The Village contracts with Frazeysburg Fire Department to receive fire protection services. The Village appropriates local property tax money for the volunteer fire department.

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

The Village participates in a public entity risk pool and is associated with the Ohio Plan Risk Management, Inc. (OPRM) 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 Village's management believes these financial statements present all activities for which the Village is financially accountable. Notes 7 and 13 to the financial statements provides additional information for these entities.

**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 and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

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

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

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

**Street Construction Maintenance and Repair Fund** – 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.

**Street Lighting Fund** – The street lighting fund accounts for and reports special assessments that are based on property tax valuation to pay for Village street lighting.

**Swimming Pool Fund** – The swimming pool fund accounts for and reports money received from season pool passes, pool admittances, sale of concessions and general fund transfers used to operate the public swimming pool.

**Mayor's Court Computer Fund** – The Mayor's court computer fund accounts for and reports money from citations issued by the police department having the purpose of maintaining computer systems for the office of the clerk of the municipal court.

**Village of Frazeysburg, Ohio**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

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**Fire Levy Fund** – The fire levy fund accounts for and reports property tax levies passed by voters to support a fire department and to provide fire protection services.

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

**Police Car & Equipment Fund** – The police car & equipment fund was established to account for monies set aside to assist in purchasing vehicles and equipment.

**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. The Village also has a limited number of customers using Village water outside of the Village limits.

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

**Storm Water Fund** The storm water fund accounts for the provision of storm water services to the residents and businesses located within the Village.

**Sewer Surcharge Debt Fund** – The sewer surcharge debt fund was established with sewer surcharges that are no longer collected, however funds remain for the repayment of loans incurred in planning and construction of the Village Sewer System.

**USDA Water Debt Fund** – The USDA water debt accounts for and reports water fund transfers required for the USDA loan agreement for the repayment of loans incurred in planning and construction of the Village Water System.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under trust agreements for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Custodial fund is 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 funds accounts for Mayor's Court activity and unclaimed funds, which are from unclaimed water deposit refunds.

#### ***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 (D). 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 (D) permit.

**Village of Frazeysburg, Ohio  
Muskingum County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022**

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### ***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 or function 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 re-appropriated.

A summary of 2022 budgetary activity appears in Note 3.

### ***Deposits and Investments***

During the period, the Village maintained a general checking account, water checking account, mayor's court checking account and a savings account,

The Village has no investments.

### ***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.

***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.

**Village of Frazeysburg, Ohio**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

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**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*.

**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 16.

### **Note 3 - Budgetary Activity**

Budgetary activity for the year ending 2022 follows:

Fund Type	2022 Budgeted vs. Actual Receipts		
	Budgeted		Variance
	Receipts	Actual Receipts	
General	\$ 280,507	\$ 327,579	\$ 47,072
Special Revenue	344,036	393,281	49,245
Capital Projects	3,700	5,784	2,084
Enterprise	662,171	708,779	46,608
<b>Total</b>	<b>\$ 1,290,414</b>	<b>\$ 1,435,423</b>	<b>\$ 145,009</b>

Fund Type	2022 Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation		Variance
	Authority	Budgetary Expenditures	
General	\$ 345,425	\$ 315,817	\$ 29,608
Special Revenue	462,945	420,743	42,202
Capital Projects	1,000	-	1,000
Enterprise	822,437	706,761	115,676
<b>Total</b>	<b>\$ 1,631,807</b>	<b>\$ 1,443,321</b>	<b>\$ 188,486</b>

### **Note 4 – Deposits**

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

	2022
Demand deposits	\$831,417
Other time deposits (savings and NOW accounts)	70,603
<b>Total Deposits</b>	<b>\$902,020</b>

**Village of Frazeysburg, Ohio  
Muskingum County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022**

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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. The Village has an account held outside of the deposit pool for retainage related to a USDA construction contract and for monies held in accordance with debt agreements. The Village has met the required amount according to the debt agreement with the USDA and the account earns interest monthly. This account is required to be maintained until the USDA loans are paid off in 2045.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation for the first \$250,000 and then 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 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.

***Income Taxes***

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

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

**Note 6 – Interfund Balances**

***Advances***

There were no outstanding advances at December 31, 2022.

**Note 7 - Risk Management**

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 Frazeysburg, Ohio**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

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***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 § 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 has remained unchanged. OPRM had 773 members as of December 31, 2022.

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

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

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

***Note 8 - Defined Benefit Pension Plans***

***Ohio Public Employees Retirement System***

Most 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 percent, of their gross salaries and the Village contributed an amount equaling 14 percent, of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

***Ohio Police and Fire Retirement System***

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

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

***Social Security***

The Village's Council members and Board of Trustees of Public Affairs members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

**Village of Frazeysburg, Ohio**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

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Council members and Board of Trustees of Public Affairs members 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.

**Note 9 - Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**Note 10 – Debt**

Debt outstanding at December 31, 2022 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2005 USDA Rural Development Loan A	\$ 578,300	4.13%
2005 USDA Rural Development Loan B	322,400	4.13%
2005 USDA Rural Development Loan C	115,700	4.13%
6038 OWDA – Storm Water Improvements	104,459	1.50%
7930 OWDA – Hunter lift station	<u>206,235</u>	2.58%
Total	<u><u>\$ 1,327,094</u></u>	

The United States Department of Agriculture Rural Development (USDA) Loans A, B and C were used to pay off OWDA loan #3951 that relates to water system improvements. The original loan was for \$751,000, \$418,000 and \$150,000 respectively and the schedule above includes interest capitalized on these loans. The loans will be paid off in annual payments over the next 25 years. The Village has agreed to set utility rates sufficient to cover USDA debt service requirements.

The 2010 OPWC loan relates to a sewer plant improvement project. The original loan was for \$138,190. The loan was paid off in 2022 by revenues generated from Village utilities. As the result of a ten year, 3% per year resolution passed in 2021 on both water and sewer rates.

The 2012 OWDA loan #6038 relates to a storm water improvement project. The original loan was for \$214,450. This loan will be repaid back over 20 years with semi-annual installments of \$6,225. The loan is collateralized by revenues generated from Village utilities.

The Community Bank loan, for an excavator, was for \$87,732. The excavator will be used for water, sewer and storm water lines. The loan was paid off in 2022.

The OWDA loan #7930 relates to construction of the hunter lift station. The original loan was for the \$252,293 and the schedule above includes interest capitalized on this loan. The loan will be paid in semi-annual installments of \$8,114, including interest, over 20 years. The loan is collateralized by revenue generated by the sewer facilities.

**Village of Frazeysburg, Ohio**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

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**Amortization**

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

Year Ending December 31:	USDA A, B, C	OWDA Loan #6038	OWDA Loan #7930
2023	\$48,257	\$12,450	\$16,267
2024	48,895	12,450	16,267
2025	49,506	12,450	16,267
2026	50,094	12,450	16,267
2027	50,757	12,450	16,267
2028-2032	264,174	49,800	81,336
2033-2037	284,404	6,226	81,336
2038-2042	309,489	0	24,342
2043-2047	198,877	0	0
Total	<u>\$1,304,453</u>	<u>\$118,276</u>	<u>\$268,349</u>

**Note 11 – Construction and Contractual Commitments**

There were no construction or contractual commitments as of December 31, 2022.

**Note 12 – Contingent Liabilities**

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

**Note 13 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six-member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**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. 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.

During 2022, the Village received American Relief Plan Act funding. The Village received \$69,476.53 of ARPA funds (\$275.17 of which had been distributed after townships received their share and the remainder was disbursed) The funds were used in two ways: purchase of a new Yanmar Mini Excavator with a ditch bucket, to be used for water line breaks, and storm sewer digs from Buckeye Power Sales in the amount of \$47,975.00 and a bonus pay to the employees of the Village that worked during the 2020 pandemic and were still employed at the time the bonus' were paid out, in the amount of \$10,977.00.

**Village of Frazeysburg, Ohio**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

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**Note 15 – Related Party Transactions**

A Village Council President is a Captain for the Frazeysburg Volunteer Fire Department. The Village contracts with the Frazeysburg Volunteer Fire Department for fire and emergency medical protection services. The Village paid \$119,123.78 during 2022 for these services with money that was received from tax levies.

**Note 16 – Fund Balances**

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

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$296	\$248	\$544
Total	\$296	\$248	\$544

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

**Note 17 – Subsequent Events**

In 2023, the Village issued debt for the purchase of a new police cruiser in the amount of \$48,078. In February of 2024, the Village received a grant totaling \$114,365 for concrete on lift station generators. In June of 2024, the Village experienced a tornado that caused significant damage to Village property. In total, the Village received approximately \$175,000 in insurance related claim payments. In August of 2025, the Village received a grant from the Ohio Department of Development for \$118,238 for valve exercising at the Water Department.

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**Village of Frazeysburg**  
**Muskingum 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*

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	General	Special Revenue	Capital Project	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$37,561	\$142,098	\$0	\$179,659
Municipal Income Tax	177,673	0	0	177,673
Intergovernmental	29,810	210,925	0	240,735
Special Assessments	0	233	0	233
Charges for Services	1,274	39,832	0	41,106
Fines, Licenses and Permits	32,553	1,370	0	33,923
Earnings on Investments	463	308	0	771
Miscellaneous	6,699	2,650	0	9,349
<i>Total Cash Receipts</i>	<u>286,033</u>	<u>397,416</u>	<u>0</u>	<u>683,449</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	176,736	131,024	0	307,760
Leisure Time Activities	8,324	64,254	0	72,578
Transportation	0	73,052	0	73,052
General Government	97,039	7,310	0	104,349
Capital Outlay	0	124,391	500	124,891
Debt Service:				
Interest and Fiscal Charges	0	7	0	7
<i>Total Cash Disbursements</i>	<u>282,099</u>	<u>400,038</u>	<u>500</u>	<u>682,637</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>3,934</u>	<u>(2,622)</u>	<u>(500)</u>	<u>812</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	0	9,101	3,090	12,191
Transfers Out	(12,191)	0	0	(12,191)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(12,191)</u>	<u>9,101</u>	<u>3,090</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>(8,257)</u>	<u>6,479</u>	<u>2,590</u>	<u>812</u>
<i>Fund Cash Balances, January 1 (Restated, Note 18)</i>	<u>99,397</u>	<u>238,307</u>	<u>1,066</u>	<u>338,770</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$91,140</u></u>	<u><u>\$244,786</u></u>	<u><u>\$3,656</u></u>	<u><u>\$339,582</u></u>

*See accompanying notes to the basic financial statements*

**Village of Frazeysburg**  
*Muskingum County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Proprietary and Fiduciary Fund Types*  
*For the Year Ended December 31, 2021*

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	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$680,183
Miscellaneous	<u>9,424</u>
<i>Total Operating Cash Receipts</i>	<u>689,607</u>
<b>Operating Cash Disbursements</b>	
Personal Services	142,141
Fringe Benefits	79,305
Contractual Services	123,880
Supplies and Materials	105,646
Other	<u>1,304</u>
<i>Total Operating Cash Disbursements</i>	<u>452,276</u>
<i>Operating Income (Loss)</i>	<u>237,331</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Earnings on Investments (proprietary funds only)	71
Capital Outlay	(103,684)
Principal Retirement	(62,089)
Interest and Other Fiscal Charges	<u>(53,165)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(218,867)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	18,464
Transfers In	47,421
Transfers Out	<u>(47,421)</u>
<i>Net Change in Fund Cash Balances</i>	18,464
<i>Fund Cash Balances, January 1 (Restated, Note 18)</i>	<u>552,019</u>
<i>Fund Cash Balances, December 31</i>	<u>\$570,483</u>

*See accompanying notes to the basic financial statements*

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

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	Custodial
<b>Additions</b>	
Other Amounts Collected for Distribution	<u>\$24,407</u>
<i>Total Additions</i>	<u>24,407</u>
<b>Deductions</b>	
Distributions to Other Governments	5,549
Distributions to Other Funds (Primary Gov't)	<u>20,328</u>
<i>Total Deductions</i>	<u>25,877</u>
<i>Net Change in Fund Balances</i>	(1,470)
<i>Fund Cash Balance, January 1 (Restated, Note 18)</i>	<u>1,785</u>
<i>Fund Cash Balance, December 31</i>	<u>\$315</u>

*See accompanying notes to the basic financial statements*

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**Village of Frazeysburg, Ohio**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2021**

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**Note 1 – Village of Frazeysburg**

The Village of Frazeysburg (the Village), Muskingum 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, swimming pool and police services. The Village contracts with Frazeysburg Fire Department to receive fire protection services. The Village appropriates local property tax money for the volunteer fire department.

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

The Village participates in a public entity risk pool and is associated with the Ohio Plan Risk Management, Inc. (OPRM) 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 Village's management believes these financial statements present all activities for which the Village is financially accountable. Notes 8 and 14 to the financial statements provides additional information for these entities.

**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 and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

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

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

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

**Street Construction Maintenance and Repair Fund** – 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.

**Street Lighting Fund** – The street lighting fund accounts for and reports special assessments that are based on property tax valuation to pay for Village street lighting.

**Swimming Pool Fund** – The swimming pool fund accounts for and reports money received from season pool passes, pool admittances, sale of concessions and general fund transfers used to operate the public swimming pool.

**Mayor's Court Computer Fund** – The Mayor's court computer fund accounts for and reports money from citations issued by the police department having the purpose of maintaining computer systems for the office of the clerk of the municipal court.

**Village of Frazeysburg, Ohio**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2021**

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**Fire Levy Fund** – The fire levy fund accounts for and reports property tax levies passed by voters to support a fire department and to provide fire protection services.

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

**Police Car & Equipment Fund** – The police car & equipment fund was established to account for monies set aside to assist in purchasing vehicles and equipment.

**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. The Village also has a limited number of customers using Village water outside of the Village limits.

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

**Storm Water Fund** The storm water fund accounts for the provision of storm water services to the residents and businesses located within the Village.

**Sewer Surcharge Debt Fund** – The sewer surcharge debt fund was established with sewer surcharges that are no longer collected, however funds remain for the repayment of loans incurred in planning and construction of the Village Sewer System.

**USDA Water Debt Fund** – The USDA water debt accounts for and reports water fund transfers required for the USDA loan agreement for the repayment of loans incurred in planning and construction of the Village Water System.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under trust agreements for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Custodial fund is 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 funds accounts for Mayor's Court activity and unclaimed funds, which are from unclaimed water deposit refunds.

#### ***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 (D). 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 (D) permit.

**Village of Frazeysburg, Ohio  
Muskingum County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021**

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### ***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 or function 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 re-appropriated.

A summary of 2021 budgetary activity appears in Note 4.

### ***Deposits and Investments***

During the period, the Village maintained a general checking account, savings account, and mayor's court checking account.

The Village has no investments.

### ***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.

***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.

**Village of Frazeysburg, Ohio**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2021**

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**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*.

**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 17.

### **Note 3 - Compliance**

There were no material budgetary violations.

### **Note 4 - Budgetary Activity**

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$289,155	\$286,033	(\$3,122)
Special Revenue	435,653	406,517	(29,136)
Capital Projects	0	3,090	3,090
Enterprise	726,170	737,099	10,929
<b>Total</b>	<b>\$1,450,978</b>	<b>\$1,432,739</b>	<b>(\$18,239)</b>

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$354,952	\$295,776	\$59,176
Special Revenue	559,635	400,229	159,406
Capital Projects	1,069	500	569
Enterprise	921,282	719,589	201,693
<b>Total</b>	<b>\$1,836,938</b>	<b>\$1,416,094</b>	<b>\$420,844</b>

### **Note 5 – Deposits**

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

	2021
Demand deposits	\$841,452
Other time deposits (savings and NOW accounts)	70,511
<b>Total Deposits</b>	<b>\$911,963</b>

**Village of Frazeysburg, Ohio  
Muskingum County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021**

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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. The Village has an account held outside of the deposit pool for retainage related to a USDA construction contract and for monies held in accordance with debt agreements. The Village has met the required amount according to the debt agreement with the USDA and the account earns interest monthly. This account is required to be maintained until the USDA loans are paid off in 2045.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation for the first \$250,000 and then 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.

***Income Taxes***

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

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

**Note 7 – Interfund Balances**

***Advances***

There were no outstanding advances at December 31, 2021.

**Note 8 - Risk Management**

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 Frazeysburg, Ohio  
Muskingum County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021**

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***Risk Pool Membership***

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

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

Effective November 1, 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 paid 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	(15,037,383)
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](http://www.ohioplan.org).

**Note 9 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most 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 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.

***Ohio Police and Fire Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2021.

**Village of Frazeysburg, Ohio**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2021**

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***Social Security***

The Village's Council members and Board of Trustees of Public Affairs members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Council members and Board of Trustees of Public Affairs members 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 10 - Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**Note 11 – Debt**

Debt outstanding at December 31, 2021 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
2005 USDA Rural Development Loan A	\$ 593,200	4.13%
2005 USDA Rural Development Loan B	330,800	4.13%
2005 USDA Rural Development Loan C	118,700	4.13%
2010 OPWC – Sewer Plant Improvements	72,549	0.00%
6038 OWDA – Storm Water Improvements	115,222	1.50%
2016 Community Bank – Excavator	25,987	2.93%
7930 OWDA – Hunter lift station	216,934	2.58%
<b>Total</b>	<b><u>\$ 1,473,393</u></b>	

The United States Department of Agriculture Rural Development (USDA) Loans A, B and C were used to pay off OWDA loan #3951 that relates to water system improvements. The original loan was for \$751,000, \$418,000 and \$150,000 respectively and the schedule above includes interest capitalized on these loans. The loans will be paid off in annual payments over the next 25 years. The Village has agreed to set utility rates sufficient to cover USDA debt service requirements.

The 2010 OPWC loan relates to a sewer plant improvement project. The original loan was for \$138,190. The loan will be repaid in semi-annual installments of \$3,455, including interest, over 20 years. The loan is collateralized by revenues generated from Village utilities.

The 2012 OWDA loan #6038 relates to a storm water improvement project. The original loan was for \$214,450. This loan will be repaid back over 20 years with semi-annual installments of \$6,225. The loan is collateralized by revenues generated from Village utilities.

**Village of Frazeysburg, Ohio**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2021**

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The Community Bank loan, for an excavator, was for \$87,732. The excavator will be used for water, sewer and storm water lines. The loan payments are collateralized equally between the three funds revenues since 2017. The loan was for a 7-year term.

The OWDA loan #7930 relates to construction of the hunter lift station. The original loan was for the \$252,293 and the schedule above includes interest capitalized on this loan. The loan will be paid in semi-annual installments of \$8,114, including interest, over 20 years. The loan is collateralized by revenue generated by the sewer facilities.

**Amortization**

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

Year Ending December 31:	USDA A, B, C	OWDA Loan #6038	OWDA Loan #7930	OPWC - Sewer Plant	Community Bank - Excavator
2022	\$47,800	\$12,450	\$16,267	\$6,910	\$13,660
2023	48,257	12,450	16,267	6,910	13,471
2024	48,895	12,450	16,267	6,910	0
2025	49,506	12,450	16,267	6,910	0
2026	50,094	12,450	16,267	6,910	0
2027-2031	260,474	62,250	81,336	34,550	0
2032-2036	280,217	6,226	81,336	3,449	0
2037-2041	303,980	0	32,455	0	0
2042-2046	263,030	0	0	0	0
Total	<u>\$1,352,253</u>	<u>\$130,726</u>	<u>\$276,462</u>	<u>\$72,549</u>	<u>\$27,131</u>

**Note 12 – Construction and Contractual Commitments**

There were no construction or contractual commitments as of December 31, 2021.

**Note 13 – Contingent Liabilities**

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

**Note 14 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six-member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**Note 15 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. 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.

**Village of Frazeysburg, Ohio**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2021**

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During 2021, the Village received American Relief Plan Act funding. The Village received \$68,932.89 of ARPA funds and the funds were used to purchase new equipment for meter reading. \$68,932.89 plus \$1,618.00 from the water fund were paid to Buckeye State Pipe & Supply Co., Inc. to purchase Badger Meters and the equipment to update the antiquated system currently in use.

**Note 16 – Related Party Transactions**

A Village Council President is a Captain for the Frazeysburg Volunteer Fire Department. The Village contracts with the Frazeysburg Volunteer Fire Department for fire and emergency medical protection services. The Village paid \$119,663.51 during 2021 for these services with money that was received from tax levies.

**Note 17 – Fund Balances**

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

	General	Special	<hr/>
	Fund	Revenue	
Outstanding Encumbrances	<hr/> <u>\$1,361</u>	<hr/> <u>\$191</u>	<hr/> <u>\$1,552</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, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 18 – 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 decrease the General Fund and increase the Street Construction Maintenance and Repair Special Revenue Fund. Additionally, the Village voided checks issued in a prior period and created an unclaimed monies fund for water deposits. The impact on beginning fund balance is summarized below.

	General	Special Revenue	Enterprise	Custodial
	Fund	Fund	Fund	Fund
Fund Balance, December 31, 2020	\$100,806	\$236,898	\$551,831	\$1,470
Adjustment	(1,409)	1,409	188	315
Fund Balance, January 1, 2021	<hr/> <u>\$99,397</u>	<hr/> <u>\$238,307</u>	<hr/> <u>\$552,019</u>	<hr/> <u>\$1,785</u>

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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 Frazeysburg  
Muskingum County  
7 West 2<sup>nd</sup> Street  
P.O. Box 160  
Frazeyburg, Ohio 43822

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 Frazeysburg, Muskingum County, Ohio (the Village), and have issued our report thereon dated September 16, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

### ***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified 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.

Village of Frazeysburg  
Muskingum County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required By *Government Auditing Standards*  
Page 2

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***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  
Ohio Auditor of State



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

September 16, 2025

**VILLAGE OF FRAZEYSBURG  
MUSKINGUM 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**

**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.

Auditor of State Bulletin 2015-007 states the notes to the financial statements, and all other components, are required to be included in the financial statements filed with the Auditor of State via the Hinkle System. The notes to the financial statements should include all pertinent information relating to the audit and be in a format that contains accurate and current information.

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

- Homestead and Rollback receipts were improperly recorded in the Street Construction Maintenance and Repair Fund for totaling \$15,934 rather than the General Fund in the amount of \$5,003 and the Fire Fund for \$10,931.
- Income Tax receipts from the State totaling \$10,129 were improperly recorded in the Street Construction Maintenance and Repair Fund as Intergovernmental rather than the General Fund as Income Tax.
- Permissive Tax receipts levied by the Village were improperly classified as Intergovernmental rather than Property and Other Local Taxes in the Street Construction Maintenance and Repair Fund totaling \$21,300.
- Water Receipts totaling \$80,264 were improperly classified as Other Financing Sources rather than Charges for Service in the USDA Water Debt Service Fund.
- December 2021 utility billing receipts were not recorded until January 2022, therefore overstating Charges for Service Receipts in the Water Operating Fund by \$28,165, Sewer Operating Fund by \$26,273, and the Storm Sewer Fund by \$1,712.
- December 2022 utility billing receipts were not recorded until January 2023, therefore understating Charges for Service Receipts in the Water Operating Fund by \$20,889, Sewer Operating Fund by \$26,773, Storm Sewer Fund by \$1,712 and in the USDA Water Debt Service Fund by \$7,247.
- Mayor's Court receipts were improperly recorded in the General Fund as Transfers-In in the amount of \$6,621 and Miscellaneous Receipts of \$11,633 rather than as Fines Licenses and Permits.
- In the Mayor's Court Custodial Fund, Earning on Investments were overstated by \$12,548, Other Amounts Collected for Distribution were understated by \$14,478, Distribution to Other Governments was understated by \$1,316, Distribution to Funds was understated by \$7,235 and Other Distributions were overstated by \$6,621.
- OWDA debt payments were improperly posted to the Storm Sewer Fund rather than the Sewer Fund totaling \$1,906.

**VILLAGE OF FRAZEYSBURG  
MUSKINGUM 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)**

**FINDING NUMBER 2022-001 (Continued)**

**Material Weakness (Continued)**

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

- A Local Government receipt was improperly recorded in the Street Construction Maintenance and Repair Fund rather than the General Fund in the amount of \$800.
- A Motor Vehicle License receipt was improperly recorded in the General Fund rather than the Street Construction Maintenance and Repair Fund in the amount of \$1,104.
- Homestead and Rollback receipts were improperly recorded in the Street Construction Maintenance and Repair Fund for \$15,935 rather than the General Fund in the amount of \$5,378 and the Fire Fund for \$10,017.
- Permissive Tax receipts levied by the Village totaling \$22,996 were recorded as Intergovernmental in the Street Construction Maintenance and Repair Fund rather than Property and Other Local Taxes.
- Capital Outlay expenditures and Intergovernmental Receipts in the Street Construction Maintenance and Repair Fund were understated by \$40,597 due to on-behalf-of activity for an OPWC project not being recorded by the Village.
- A utility billing receipt was improperly recorded in the General Fund as Municipal Income Tax receipt in the amounts of \$46,588, rather than being recorded in the Water and Sewer Operating Funds and Charges for Service.
- December 2021 utility billing receipts were not recorded until January 2022, therefore understating Charges for Service Receipts in the Water Operating Fund by \$28,165, Sewer Operating and by \$26,273, and the Storm Sewer Fund by \$1,712 in 2021.
- A correction to Mayor's court activity was improperly recorded as a Transfer-Out of the General Fund and a Transfer-In in the Mayor's Court Custodial Fund for \$92.
- In the Mayor's Court Custodial Fund, Other Amounts Collected for Distributions were understated by \$7,214, Distribution to Other Governments was overstated by \$403, and Distribution to Other Funds was understated by \$7,525.

We noted the Village's footnotes had errors in the Budgetary Activity and Deposit Notes for the years ended December 31, 2022 and 2021. Additionally, corrections were made to the Debt Note outstanding balances, loan descriptions and amortization tables.

Audit adjustments, with which management has agreed have been posted to the Village's accounting records and are reflected in the accompanying financial statements. In addition to the adjustments listed above, we also identified immaterial differences ranging from \$840 to \$1,357 that we have brought to the Village's attention. Other insignificant revisions were made to the notes to the financial statements.

Failure to properly classify activity on the financial statements could result in a failure to provide users of the financial statement with an accurate picture of the Village's operations.

**VILLAGE OF FRAZEYSBURG  
MUSKINGUM 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)**

**FINDING NUMBER 2022-001 (Continued)**

**Material Weakness (Continued)**

The Fiscal Officer should refer to the Ohio Village Handbook for proper classification and take additional care in posting transactions to the Village's ledgers 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:**

To the following items:

Homestead Rollback to the street instead of general fund; income tax payments received from the State in street not general; local government receipt in street not general; motor vehicle receipt in general not street; home stand and rollback in street not general and fire; utility billing receipt in general not water and sewer; these errors were unacceptable by a fiscal officer with my experience however I will say that I need to slow down and be more detail oriented. I will state at that point I was not aware of a few tools that I could have used to get the proper information on where the direct deposited funds were supposed to go. In the banking, the information just states that the deposit came from the State of Ohio, there were times that I literally looked back at items around that dollar amount that were received in the past and guessed where they belong. I now have a way to read on the deposit that is recorded with the bank that has a section with wording to get a better understanding of what the amount was directed to. Audit staff also made me aware of a website that discloses for the public what the dollar amounts sent to municipalities are and what they are for. The State rarely takes in the income tax any longer as there was legislation making changes to that policy since this time.

To the following items:

Permissive tax receipts that were put in as other intergovernmental rather than property and other local taxes on two occasions; during my tenure in Dresden, I receipted these in the same way as I have done in Frazeysburg. I also followed how my predecessor handled. Audit advised that this was being done improperly by my predecessor too. I don't believe this has been misstatements in the past audits. I will say that if it had been done by me at another municipality and my predecessor did things that way then this is a case of "we didn't know what we didn't know".

Water receipts classified as other financing sources not charges for services: I cannot recall my thought process at that point but I believe I was thinking that other financing sources fell into a category for collecting money from receipts to pay a debt.

For the utility billing receipts receipted into other months/years: again, this is a process that I had in Dresden and continued into Frazeysburg. I had never been corrected on this before. My thought process was "the money was not transferred into the main account from the water account (at the bank) until the month I reported the transaction so it was proper to handle that way." Audit staff explained that by putting into another month that it was not showing the proper revenue reported for the year (at year end) and this offset ending balances. Audit staff explained that going forward I should receipt into the month it happened, not caring that it was transacted in the next month and that it was acceptable to leave it as an outstanding receipt until the next month when the transfer showed in the bank statement. This was perpetuated because my predecessor had all utility payments go into the main bank account and I opened a separate bank account for water billing to make reconciliation easier for myself and the water clerk.

**VILLAGE OF FRAZEYSBURG  
MUSKINGUM 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)**

**FINDING NUMBER 2022-001 (Continued)**

**Officials' Response (Continued):**

Mayor's Court transactions: recorded into general as transfers in; earnings on investments; transactions in general: this is a difficult one to understand in general. Mayor's Court receipts go into- 2902 MC Computer fund, 9901 Mayor's Court (an agency fund) and 1000-720 General Fund. As a rule, the monies should show in these categories but end up in the general fund with a memo receipt that shows the revenue but balances out in the general fund. Audit staff has given me guidelines recently to help me understand it better. Also, during my tenure in Dresden the Mayor's Court monies were not tracked in UAN software but handled as a receipt in so the process was different. This is still a confusion for me and this won't be the last time this will show on an audit until I get it right. I did error in picking a line item called "interest and fines" which flows into interest rather than fines, and I have corrected this error.

OWDA debt payments improperly posted to the storm sewer: I understood that a portion of the debt was to be charged to the storm sewer.

Capital Outlay: Audit staff showed me a way to process with a line item that does not affect ending cash balances that I was not aware of. As per audit's suggestions fund balance adjustments were performed to correct these issues as well as a correction from 2017 audit that my predecessor would not make and had been hanging on since.

**FINDING NUMBER 2022-002**

**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.

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/or amendments thereof) was not properly posted to the accounting system.

**VILLAGE OF FRAZEYSBURG  
MUSKINGUM 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)**

**FINDING NUMBER 2022-002 (Continued)**

**Material Weakness (Continued)**

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

Fund	Approved Amount	UAN Amount	Variance
General	280,507	306,544	26,037
Street Construction, Maintenance and Repair	75,500	111,356	35,856
Swimming Pool	51,438	64,059	12,621
Fire	143,057	162,346	19,289
Mayor's Court Computer	1,690	2,000	310
Street Light Assessment	(9,180)	243	9,423
American Relief Plan	69,207	69,691	484
Police Car & Equipment	3,700	1,000	(2,700)
Water Operating	300,000	311,317	11,317
Sewer Operating	265,000	255,238	(9,762)
Storm Water	25,000	35,211	10,211
Sewer Debt Service	2,100	65,640	63,540
Water Debt Service	71	-	(71)

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

Fund	Approved Amount	UAN Amount	Variance
Swimming Pool	50,000	60,054	10,054
Police Car and Equipment	0	3,090	3,090

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

Fund	Approved Amount	UAN Amount	Variance
General	344,064	346,439	2,375
Street Construction, Maintenance and Repair	162,274	163,229	955
Swimming Pool	55,898	58,874	2,976
American Relief Plan	69,201	69,597	396
Water Operating	352,707	328,277	(24,430)
Sewer Operating	266,922	274,636	7,714
Sewer Debt Service	70,636	72,550	1,914

**VILLAGE OF FRAZEYSBURG  
MUSKINGUM 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)**

**FINDING NUMBER 2022-002 (Continued)**

**Material Weakness (Continued)**

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

Fund	Approved Amount	UAN Amount	Variance
General	354,900	355,822	922
Swimming Pool	65,390	73,242	7,852
American Relief Plan	68,951	68,933	(18)
Water Operating	447,375	462,793	15,418
Sewer Operating	314,560	316,310	1,750

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.

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:** This was not done in a timely manner by myself as I sent the corrections to the county auditor after the year end. I now know that the county auditor has meetings throughout the last quarter of the year and I must get this in before that time for amendments to the certificate.

**VILLAGE OF FRAZEYSBURG  
MUSKINGUM COUNTY**

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

**OTHER – FINDING FOR RECOVERY**

In addition, we identified the following other issue related to a Finding for Recovery. This issue did not impact our Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*.

**FINDING NUMBER 2022-003**

**Finding for Recovery – Repaid Under Audit**

Ohio Rev. Code § 117.24 requires the Auditor of State to determine whether “public money has been illegally expended, any public money collected has not been accounted for, any public money due has not been collected, or any public property has been converted or misappropriated. . . .” Those determinations in an audit report constitute “findings for recovery.” Ohio Rev. Code § 9.24(H)(3).

Village of Frazeysburg Ordinance 10-21 dated December 26, 2021 outlines full-time benefits for Village employees, including medical insurance coverage with 8% of the premium paid by the employee and the remainder paid by the Village. Additionally, the Village will reimburse full time employees for \$3,000 of their deductible as it is incurred, as long as the employee submits the necessary receipts.

Village of Frazeysburg Ordinance 29-22 dated November 14, 2022 increased the amount of the paid deductible for employees from \$3,000 to \$5,000.

During 2022, Village Fiscal Officer, Natalie Stillion-Grable was reimbursed for out-of-pocket expenses relating to vision and dental services in the amount of \$1,925. However, Village Ordinances providing for reimbursement refer to medical insurance deductibles, therefore the payments made for out-of-pocket vision and dental expenses constitute an illegal expenditure.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Natalie Stillion-Grable, Fiscal Officer, in the amount of \$1,925, and in favor of the Village of Frazeysburg's General Fund, in the amount of \$1,925.

The Village should implement policies and procedures to ensure reimbursements are made in accordance with approved Ordinances.

On August 22, 2025, \$1,725 was repaid to the Village's General Fund via receipt #349-2025 and the remaining \$200 was repaid on September 3, 2025 to the Village's General Fund via receipt 356-2025. The Finding is considered repaid in full.

**Officials' Response:** The employees of the Village of Frazeysburg received a fringe benefit of deductible reimbursement. The deductible was \$3000 and then changed to \$5000 with plan years ending September 30 yet my reporting is January through December. It was found that a reimbursement to myself for dental and vision was not approved. At the time there was approval given by the Mayor of the Village and other employees were reimbursed for dental and vision as long as it did not take them over the deductible threshold. As soon as I received that finding from Auditor of State Legal, I made a payment to reimburse the Village for \$1725 with \$200 remaining. I was able to pay the \$200 remaining out of my next paycheck to satisfy the reimbursement. This has been remedied since this audit began by 1) we now submit to an HRA for reimbursement 2) we will make changes to the wage ordinance to reflect specifics on reimbursement, even though the HRA helps with those details.

# OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF FRAZEYSBURG

MUSKINGUM 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 9/30/2025

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)