



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 389-5775 • FAX (614) 467-3920
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

www.bhmcgroup.com

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Village Council
Village of New Holland
P. O. Box 306
10 East Main Street
New Holland, Ohio 43145

We have reviewed the *Independent Auditor's Report* of the Village of New Holland, Pickaway County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding for Recovery

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951) provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. AOS Bulletin 2004-002 provides examples of expenditures that are deemed to be for a proper public purpose. Governmental entities, without regard to their specific nature, may not expend public monies unless they are for a proper public purpose.

The Village should acquire and maintain appropriate documentation to support the proper use of Village funds prior to making payments. Appropriate documentation may include, but is not limited to, invoices, timesheets, mileage reimbursement forms, and other original correspondence. Maintaining organized supporting documentation for financial transactions is essential to assuring the Village's financial statements are not materially misstated and that all expenditures were made for a proper public purpose.

An examination of the Village of New Holland Fiscal Officer, Mavis Yourchuck's, payroll compensation paid on January 3, 2020, January 10, 2020 and January 24, 2020, noted three payments, totaling \$346, identified as "other wages". These additional payments were not supported by documentation; therefore, we were not able to determine whether the additional payments were for a proper Village purpose. Once Village officials uncovered the overpayment, Ms. Yourchuck was terminated.

On May 7, 2021, Ms. Yourchuck was indicted on one count of theft in office, a felony of the fifth degree, in Pickaway County Common Pleas Court, Case No. 2021-CR-056. Ms. Yourchuck plead guilty, on August 4, 2021, to one count of misdemeanor theft, a misdemeanor of the first degree, in violation of R.C. 2913.02(A)(1) and was ordered to pay \$346.20 in restitution to the Village and sentenced to one year community control.

In addition to the restitution order, there was an additional payment of \$115 of "other wages" that were not supported by documentation paid on January 24, 2020.

Village Council
Village of New Holland
P. O. Box 306
10 East Main Street
New Holland, Ohio 43145
Page -2-

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public property converted or misappropriated is hereby issued against Mavis Yourchuck and her bonding company, Western Surety Company, totaling \$461 and in favor of the Village of New Holland's General Fund, Street Construction, Maintenance and Repair Fund, Water Operating Fund, and Sewer Operating Fund.

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



Keith Faber
Auditor of State
Columbus, Ohio

January 07, 2022

VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY

Table of Contents

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor’s Report.....	1
Basic Financial Statements:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2020.....	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary Fund Types For the Year Ended December 31, 2020.....	5
Notes to the Financial Statements For the Year Ended December 31, 2020.....	6
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2019.....	16
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, 2019.....	17
Notes to the Financial Statements For the Year Ended December 31, 2019.....	18
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	27
Schedule of Findings.....	29
Schedule of Prior Audit Findings.....	32

This page intentionally left blank.



INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of New Holland, Pickaway County, Ohio (the Village).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2020 and 2019, and the respective changes in financial position or cash flows thereof for the years then ended.

Basis for Qualified Opinion

During 2019 and 2020, the Village's mayor's court did not maintain accounting records sufficient to enable the Village to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, and prepare financial statements to include mayor's court activity. This activity should be accounted for in a custodial fund and should be included in the custodial fund type opinion unit at December 31, 2020 and 2019.

Due to the lack of properly maintained accounting records, the Village was unable to include mayor's court activity in the custodial fund type in its statement of receipts, disbursements and changes in fund balance for proprietary and fiduciary fund types for the year ended December 31, 2019 and was unable to prepare a statement of additions, deductions, and changes in fund balance for fiduciary fund types for the year ended December 31, 2020.

The accounting records and financial statements do not reflect all the financial transactions of the mayor's court and, therefore, we were unable to satisfy ourselves as to the additions, deductions or fund cash balance for the fiduciary fund type combined total at December 31, 2020 or the receipts, disbursements or fund cash balance for the custodial fund type at December 31, 2019.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of New Holland, Pickaway County in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Village of New Holland, Pickaway County in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 13 to the 2020 financial statements, during 2020, the Village made changes to their cash basis reporting model, which included modifications to the definition of fiduciary funds. As a result, the beginning cash fund balances of the general fund and the custodial fund type were restated. We did not modify our opinion regarding this matter.

As discussed in Note 14 to the 2020 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2021, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



BHM CPA Group, Inc.
Piketon, Ohio
October 26, 2021

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Taxes	\$ 26,653	\$ 68,888	\$ -	\$ 95,541
Intergovernmental	36,400	66,554	193,853	296,807
Special Assessments	-	11,855	-	11,855
Charges for Services	-	76	-	76
Fines, Licenses, and Permits	34,265	-	-	34,265
Earnings on Investments	1,457	182	-	1,639
Miscellaneous	6,167	4,146	-	10,313
	<u>104,942</u>	<u>151,701</u>	<u>193,853</u>	<u>450,496</u>
Total Cash Receipts				
	104,942	151,701	193,853	450,496
Cash Disbursements:				
Current:				
Security of Persons and Property	107,533	13,820	-	121,353
Public Health Services	2,449	11,963	-	14,412
Leisure Time Activities	-	7,628	-	7,628
Community Environment	101	-	-	101
Transportation	-	25,357	-	25,357
General Government	59,026	760	-	59,786
Capital Outlay	205	6,309	351,604	358,118
Debt Service:				
Redemption of Principal	3,409	4,596	-	8,005
Interest and Fiscal Charges	838	138	-	976
	<u>173,561</u>	<u>70,571</u>	<u>351,604</u>	<u>595,736</u>
Total Cash Disbursements				
	173,561	70,571	351,604	595,736
Excess of Receipts Over/(Under) Disbursements	(68,619)	81,130	(157,751)	(145,240)
Other Financing Receipts (Disbursements):				
Loans Issued	-	-	166,286	166,286
Sale of Capital Assets	48,220	-	-	48,220
Other Uses	(815)	-	-	(815)
	<u>47,405</u>	<u>-</u>	<u>166,286</u>	<u>213,691</u>
Total Other Financing Receipts (Disbursements)				
	47,405	-	166,286	213,691
Net Change in Fund Cash Balances	(21,214)	81,130	8,535	68,451
Fund Cash Balances, January 1 <i>(restated - see note 13)</i>	40,321	241,964	24,313	306,598
Fund Cash Balances, December 31	<u>\$ 19,107</u>	<u>\$ 323,094</u>	<u>\$ 32,848</u>	<u>\$ 375,049</u>

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

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 433,158
Total Operating Cash Receipts	433,158
Operating Cash Disbursements:	
Personal Services	176,434
Employee Fringe Benefits	26,505
Contractual Services	76,372
Supplies and Materials	28,146
Other	700
Total Operating Cash Disbursements	308,157
Operating Income (Loss)	125,001
Non-Operating Receipts (Disbursements)	
Special Assessments	63,755
Earnings on Investment	56
Miscellaneous Receipts	14,154
Capital Outlay	(88,407)
Principal Retirement	(46,219)
Interest and Fiscal Charges	(31,737)
Total Non-Operating Cash Receipts (Disbursements)	(88,398)
Income (Loss) before Transfers	36,603
Transfers In	11,797
Transfers Out	(11,797)
Net Change in Fund Cash Balances	36,603
Fund Cash Balances, January 1	1,059,625
Fund Cash Balances, December 31	\$ 1,096,228

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

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 - Reporting Entity

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

The Village participates in jointly governed organizations. Note 11 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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.

Park Fund The park operation and maintenance fund accounts for and reports all financial resources according to the general laws of Ohio.

Community Center Fund The community center operation and maintenance fund accounts for and reports all financial resources according to the general laws of Ohio.

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

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

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

Other Capital Projects Fund (OWDA Iron Filter) This fund accounts for the construction of a new Iron Filter. These funds are provided through a loan from the Ohio Water Development Authority. The total amount of the Loan from OWDA is \$167,625.

Other Capital Projects Fund (RPIG Grant) This fund accounts for the construction of a new Iron Filter. These funds are provided through a Grant from OCEANS (RPIG). The total amount of the Grant will be \$215,000. The total amount of the Project will be \$382,625.00.

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

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

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (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 Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object 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 2020 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$176,298	\$153,162	(\$23,136)
Special Revenue	127,108	151,701	24,593
Capital Projects	189,207	360,139	170,932
Enterprise	575,398	522,920	(52,478)
Total	\$1,068,011	\$1,187,922	\$119,911

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$214,715	\$174,376	\$40,339
Special Revenue	164,665	70,571	94,094
Capital Projects	363,157	351,604	11,553
Enterprise	611,229	486,317	124,912
Total	\$1,353,766	\$1,082,868	\$270,898

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments

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

	2020
<i>Cash Management Pool:</i>	
Demand deposits	\$1,109,148
Total deposits	1,109,148
STAR Ohio	362,129
Total investments	362,129
Total carrying amount of deposits and investments held in the Pool	\$1,471,277

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

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 6 - Risk Management

Risk Pool Membership

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

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

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

	<u>2020</u>
Cash and investments	\$ 40,318,971
Actuarial liabilities	\$14,111,510

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

Note 8 - Postemployment Benefits

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

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 9 – Debt

Debt outstanding at December 31, 2020 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loan CF50I	\$85,293	0.00%
OPWC Loan CT95M	39,867	0%
OPWC Loan C42U	69,609	0%
USDA Loan 91-03	188,600	5.00%
USDA Loan 91-05	470,016	2.50%
USDA Loan 91-07	190,000	2.50%
OWDA Loan 4689	133,525	1.50%
OWDA Loan 7832	173,526	.5% - .63%
OWDA Loan 8415	133,213	1.03%
Municipal Finance Ford Credit Lease	3,210	4.75%
First Governmental Lease	18,879	4.41%
Total	<u>\$1,505,738</u>	

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

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

The Ohio Public Works Commission (OPWC) loan #C42U relates to the N. Main Street Improvement project. The loan is collateralized by the Street receipts.

OWDA Wastewater Treatment Plant Improvements Project loan (#4689); this was awarded to the Village for an amount of \$215,037. The loan is collateralized by water and sewer receipts. The Village has set utility rates sufficient to cover OWDA debt service requirements.

OWDA WWTP Influent Screen loan (#7832); this was awarded to the Village. The loan is collateralized by water and sewer receipts. The Village has set utility rates sufficient to cover OWDA debt service requirements. As of December 31, 2019 the amortization schedule for this loan has not been finalized.

OWDA WTP Iron Filter Replacement loan (#8415); this was awarded to the Village. The loan is collateralized by water and sewer receipts. The Village has set utility rates sufficient to cover OWDA debt service requirements.

The USDA Loans were initiated for the construction of the water treatment plant and Water Tower replacement in 1982 and 2012, respectively. The Village received USDA loan 91-03 \$338,000 and two loans for the Water Tower USDA loan 91-05 \$531,000 and USDA loan 91-07 for \$214,000 respectively

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2020

for these projects. The loans are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover USDA debt service requirements.

The USDA loans require the Village to establish and fund a debt service reserve funds, included as a debt service funds. The balance in these funds at December 31, 2020 is \$60,580.

Amortization

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

Year Ending December 31:	USDA Loans	OPWC Loans	OWDA Loans	Leases
2021	\$49,940	\$14,123	\$12,661	\$4,633
2022	50,063	14,123	16,394	4,633
2023	50,148	14,123	16,394	4,633
2024	50,034	14,123	16,394	4,633
2025	50,096	14,123	16,394	2,316
2026-2030	250,327	70,614	81,969	
2031-2035	209,522	28,073	81,969	
2036-2040	148,527	20,268	59,649	
2041-2045	148,343	5,199	37,329	
2046-2050	148,469		37,329	
2051-2055	88,974			
Total	\$1,244,443	\$194,769	\$376,482	\$20,848

Note 10 – Leases

The Village leases vehicles under non-cancelable leases. The Village disbursed \$12,745 to pay lease costs for the year ended December 31, 2020.

Note 11 – Jointly Governed Organization

Pic-A-Fay Joint Fire District:

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

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

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2020

New Holland Union Cemetery:

The New Holland Union Cemetery (the Cemetery) is a jointly governed organization comprised of Perry Township (the Township) and the Village of New Holland (the Village). The Cemetery is directed by an appointed three-member Board of Trustees, appointed by the Township and the Village. The Village receives taxes from the County Auditor and then remits those taxes to the Cemetery; taxes disbursed to the Cemetery totaled \$25,000.00 in 2019. The Cemetery provides grounds maintenance, grave openings and closings and the sale of lots. The Cemetery’s financial statements can be obtained by submitting a request to P.O. Box 75, New Holland, Ohio 43145.

Note 12 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>
Nonspendable:	
Unclaimed Monies	<u>\$1,014</u>
<i>Total</i>	<u><u>\$1,014</u></u>

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

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 13 – Change in Accounting Principles

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

The effect of this change restated beginning cash balance in the General Fund from \$39,307 to \$40,321.

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 will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

THIS PAGE IS INTENTIONALLY LEFT BLANK

**VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Taxes	\$ 27,721	\$ 62,080	\$ -	\$ -	\$ 89,801
Intergovernmental	30,503	49,799	-	181,846	262,148
Special Assessments	-	12,334	-	-	12,334
Charges for Services	-	825	-	-	825
Fines, Licenses, and Permits	105,458	-	-	-	105,458
Earnings on Investments	7,914	1,284	-	-	9,198
Miscellaneous	3,338	803	-	-	4,141
Total Cash Receipts	<u>174,934</u>	<u>127,125</u>	<u>-</u>	<u>181,846</u>	<u>483,905</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	179,331	14,589	-	-	193,920
Public Health Services	1,838	25,482	-	-	27,320
Leisure Time Activities	-	17,213	-	-	17,213
Community Environment	235	-	-	-	235
Transportation	-	53,355	-	-	53,355
General Government	42,453	974	-	-	43,427
Capital Outlay	582	1,805	-	332,311	334,698
Debt Service:					
Redemption of Principal	3,564	4,484	3,867	-	11,915
Interest and Fiscal Charges	1,068	384	-	-	1,452
Total Cash Disbursements	<u>229,071</u>	<u>118,286</u>	<u>3,867</u>	<u>332,311</u>	<u>683,535</u>
Excess of Receipts Over/(Under) Disbursements	(54,137)	8,839	(3,867)	(150,465)	(199,630)
Other Financing Receipts (Disbursements):					
Loans Issued	-	-	-	161,652	161,652
Transfers-In	463	-	3,867	2,736	7,066
Transfers-Out	-	(3,867)	-	-	(3,867)
Total Other Financing Receipts (Disbursements)	<u>463</u>	<u>(3,867)</u>	<u>3,867</u>	<u>164,388</u>	<u>164,851</u>
Net Change in Fund Cash Balances	(53,674)	4,972	-	13,923	(34,779)
Fund Cash Balances, January 1	92,981	236,992	-	10,390	340,363
Fund Cash Balances, December 31					
Restricted	-	235,950	-	17,965	253,915
Committed	-	6,014	-	138	6,152
Assigned	-	-	-	6,210	6,210
Unassigned (Deficit)	39,307	-	-	-	39,307
Fund Cash Balances, December 31	<u>\$ 39,307</u>	<u>\$ 241,964</u>	<u>\$ -</u>	<u>\$ 24,313</u>	<u>\$ 305,584</u>

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

VILLAGE OF NEW HOLLAND
PICKAWAY COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Custodial</u>	
Operating Cash Receipts:			
Charges for Services	\$ 433,955	\$ -	\$ 433,955
Miscellaneous	-	49	49
Total Operating Cash Receipts	<u>433,955</u>	<u>49</u>	<u>434,004</u>
Operating Cash Disbursements:			
Personal Services	183,991	-	183,991
Employee Fringe Benefits	28,482	-	28,482
Contractual Services	76,841	-	76,841
Supplies and Materials	21,485	-	21,485
Other	2,645	4	2,649
Total Operating Cash Disbursements	<u>313,444</u>	<u>4</u>	<u>313,448</u>
Operating Income (Loss)	120,511	45	120,556
Non-Operating Receipts (Disbursements)			
Special Assessments	66,934	-	66,934
Miscellaneous Receipts	4,735	-	4,735
Capital Outlay	(25,905)	-	(25,905)
Principal Retirement	(50,309)	-	(50,309)
Interest and Fiscal Charges	(31,455)	-	(31,455)
Total Non-Operating Cash Receipts (Disbursements)	<u>(36,000)</u>	<u>-</u>	<u>(36,000)</u>
Income (Loss) before Transfers	84,511	45	84,556
Transfers In	9,441	-	9,441
Transfers Out	(12,177)	(463)	(12,640)
Net Change in Fund Cash Balances	81,775	(418)	81,357
Fund Cash Balances, January 1	<u>977,850</u>	<u>1,432</u>	<u>979,282</u>
Fund Cash Balances, December 31	<u>\$ 1,059,625</u>	<u>\$ 1,014</u>	<u>\$ 1,060,639</u>

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

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

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

The Village participates in jointly governed organizations. Note 11 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Park Fund The park operation and maintenance fund accounts for and reports all financial resources according to the general laws of Ohio.

Community Center Fund The community center operation and maintenance fund accounts for and reports all financial resources according to the general laws of Ohio.

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

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

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

Other Debt Service This fund accounts for debt service payments for the Ohio Public Works CQ42U loan.

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

Other Capital Projects Fund (OWDA Iron Filter) This fund accounts for the construction of a new Iron Filter. These funds are provided through a loan from the Ohio Water Development Authority. The total amount of the Loan from OWDA is \$167,625.

Other Capital Projects Fund (RPIG Grant) This fund accounts for the construction of a new Iron Filter. These funds are provided through a Grant from OCEANS (RPIG). The total amount of the Grant will be \$215,000 a Loan from the OWDA \$167,625. The total amount of the Project will be \$382,625.00.

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

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

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

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for unclaimed monies.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (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 Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object 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 2019 budgetary activity appears in Note 3.

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 New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

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

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

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$181,272	\$175,397	(\$5,875)
Special Revenue	116,300	127,125	10,825
Debt Service	3,867	3,867	0
Capital Projects	1,022,855	346,234	(676,621)
Enterprise	570,636	515,065	(55,571)
Fiduciary	50	49	(1)
Total	\$1,894,980	\$1,167,737	(\$727,243)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$256,780	\$229,071	\$27,709
Special Revenue	299,541	122,153	177,388
Debt Service	3,867	3,867	0
Capital Projects	836,006	332,311	503,695
Enterprise	611,957	433,290	178,667
Fiduciary	1,435	467	968
Total	\$2,009,586	\$1,121,159	\$888,427

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments

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

	<u>2019</u>
Demand deposits	<u>\$ 1,005,666</u>
Total deposits	<u>1,005,666</u>
STAR Ohio	<u>360,557</u>
Total investments	<u>360,557</u>
Total Deposits and Investments	<u>\$ 1,366,223</u>

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

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 - Risk Management

Risk Pool Membership

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

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

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

	<u>2019</u>
Cash and investments	\$ 38,432,610
Actuarial liabilities	\$14,705,917

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Note 8 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019.

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
OPWC Loan CF50I	\$85,293	0.00%
OPWC Loan CT95M	39,867	0%
OPWC Loan C42U	69,609	0%
USDA Loan 91-03	198,500	5.00%
USDA Loan 91-05	479,216	2.50%
USDA Loan 91-07	193,700	2.50%
OWDA Loan 4689	140,373	1.50%
OWDA Loan 7832	25,448	.5% - .63%
OWDA Loan 8415	128,340	1.03%
Municipal Finance Ford Credit Lease	11,043	4.75%
First Governmental Lease	22,287	4.41%
Total	\$1,393,676	

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

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

The Ohio Public Works Commission (OPWC) loan #C42U relates to the N. Main Street Improvement project. The loan is collateralized by the Street receipts.

OWDA Wastewater Treatment Plant Improvements Project loan (#4689); this was awarded to the Village for an amount of \$215,037. The loan is collateralized by water and sewer receipts. The Village has set utility rates sufficient to cover OWDA debt service requirements.

OWDA WWTP Influent Screen loan (#7832); this was awarded to the Village. The loan is collateralized by water and sewer receipts. The Village has set utility rates sufficient to cover OWDA debt service requirements. As of December 31, 2019 the amortization schedule for this loan has not been finalized.

OWDA WTP Iron Filter Replacement loan (#8415); this was awarded to the Village. The loan is collateralized by water and sewer receipts. The Village has set utility rates sufficient to cover OWDA debt service requirements.

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

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2019

The USDA loans require the Village to establish and fund a debt service reserve funds, included as a debt service funds. The balance in these funds at December 31, 2019 is \$92,829.

Amortization

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

Year Ending December 31:	USDA Loans	OPWC Loans	OWDA Loans	Leases
2020	\$50,127	\$0	\$8,928	\$12,745
2021	49,940	14,123	12,661	4,633
2022	50,063	14,123	16,394	4,633
2023	50,148	14,123	16,394	4,633
2024	50,034	14,123	16,394	4,633
2025-2029	250,383	14,123	81,969	2,316
2030-2034	229,949	70,614	81,969	
2035-2039	143,921	28,073	68,577	
2040-2044	148,427	20,268	37,329	
2045-2049	148,391	5,199	37,329	
2050-2054	118,766		7,466	
Total	<u>\$1,290,149</u>	<u>\$194,769</u>	<u>\$385,410</u>	<u>\$33,593</u>

Note 10 – Leases

The Village leases vehicles under non-cancelable leases. The Village disbursed \$12,745 to pay lease costs for the year ended December 31, 2019.

Note 11 – Jointly Governed Organization

Pic-A-Fay Joint Fire District:

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

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

Village of New Holland
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2019

New Holland Union Cemetery:

The New Holland Union Cemetery (the Cemetery) is a jointly governed organization comprised of Perry Township (the Township) and the Village of New Holland (the Village). The Cemetery is directed by an appointed three-member Board of Trustees, appointed by the Township and the Village. The Village receives taxes from the County Auditor and then remits those taxes to the Cemetery; taxes disbursed to the Cemetery totaled \$25,000.00 in 2019. The Cemetery provides grounds maintenance, grave openings and closings and the sale of lots. The Cemetery's financial statements can be obtained by submitting a request to P.O. Box 75, New Holland, Ohio 43145.

Note 12 – Related Party Transactions

The village employed the Mayor's son as a Maintenance Worker during the audit period.

This page intentionally left blank.



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

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

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and 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 year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of New Holland, Pickaway County, (the Village) and have issued our report thereon dated October 26, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We qualified our opinion on the Fiduciary fund types due to the Village's mayor's court not maintaining accounting records sufficient to enable the Village to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, and prepare financial statements. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2020-001 and 2020-004 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2020-002 through 2020-005.

Purpose of this Report

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

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

BHM CPA Group, Inc.
Piketon, Ohio
October 26, 2021

**Village of New Holland
Pickaway County
Schedule of Findings
December 31, 2020 and 2019**

1. SUMMARY OF AUDITOR'S RESULTS

FINDING NUMBER 2020-001

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.

In addition, GASB Statement No. 54 requires fund balance be divided into one of five classifications based on the extent to which constraints are imposed upon the resources. A monitoring system should be in place to prevent or detect material misstatements for the accurate presentation of the Village's financial statements.

The following adjustments were noted in the following area for the years ended December 31, 2020 and 2019 and applied to the audited financial statements and the Village's ledgers, as appropriate:

- Principal Disbursements;
- Interest Disbursements;
- Capital Outlay Disbursements;
- General Government Disbursements
- Miscellaneous Receipts
- Sale of Capital Assets
- Fund Balances
- Numerous corrections and updates were required to the notes to the financial statements

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

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

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

FINDING NUMBER 2020-002

Noncompliance

Ohio Rev. Code § 5705.38(C) requires the following minimum level of budgetary control for "subdivisions" other than schools: "Appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services."

**Village of New Holland
Pickaway County
Schedule of Findings
December 31, 2020 and 2019**

**FINDING NUMBER 2020-002
(Continued)**

During 2019 and 2020, the Village exercised a legal level of control at the fund level in appropriations passed by the Village Council. In practice, the Village's minimum legal level of budgetary control should be at the fund, function, object level. Failure to establish appropriations at the minimum legal level of control may result in over expending of resources.

We recommend the Village establish appropriations each year at the minimum legal level of control required by statute.

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

FINDING NUMBER 2020-003

Noncompliance

Ohio Rev. Code Section 5705.39 states in part that appropriations should not exceed estimated resources.

Upon comparison of appropriations to estimated resources, we noted appropriations of \$263,825 in excess of estimated resources of \$215,604 in the General Fund in 2020.

Failure to establish appropriations at an amount equal to or below estimated resources can result in overspending and potential negative fund balances.

The Village should implement monitoring procedures to ensure compliance with 5705.39, reviewing appropriations and estimated resources throughout the year.

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

FINDING NUMBER 2020-004

Material Weakness / Noncompliance

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

The Village's mayor's court does not have accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, and prepare financial statements. The mayor's court did not maintain a cash journal that documents receipts and disbursements by date, check number, as appropriate, classification, and a running fund balance total. Furthermore, no bank reconciliations were completed during 2019 and 2020 to reconcile mayor's court activity to the mayor's court bank statement.

Therefore, the Village was unable to include mayor's court activity in the custodial fund type in its statement of receipts, disbursements and changes in fund balance for proprietary and fiduciary fund types for the year ended December 31, 2019 and was unable to prepare a statement of additions, deductions, and changes in fund balance for the fiduciary fund type for the year ended December 31, 2020.

**Village of New Holland
Pickaway County
Schedule of Findings
December 31, 2020 and 2019**

**FINDING NUMBER 2020-004
(Continued)**

We also noted the mayor's court failed to, in accordance with Ohio Rev. Code § 733.40, deposit amounts due to the Village and remit amounts due to the Circleville Municipal Court and the State of Ohio in 2020 in a timely manner.

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

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

FINDING NUMBER 2020-005

Noncompliance

Government expenditures are required to be for a proper public purpose as defined in **Ohio Attorney General Opinion 82-006**. There are two criteria that demonstrate whether an expenditure is for a public purpose. First, the expenditure is required for the general good of all inhabitants. As stated in *State ex rel. McClure v. Hagerman*, 155 Ohio St. 320 (1951), “[g]enerally, a public purpose has for its objective the promotion of the public health, safety, morals, general welfare, security, prosperity, and contentment of all the inhabitants” *Id.* at 325. Second, the primary objective of the expenditure is to further a public purpose, even if an incidental private end is advanced. Furthermore, 1982 Op. Atty. Gen. No. 82-006 clarifies that the decision to expend public funds “... must be made in accordance with the procedures formalities governing the exercise of legislative power. **Specifically, the decision must be memorialized by a duly enacted ordinance or resolution and may have prospective effect only.**” (emphasis added).

During January 2020, we found that the Village's former fiscal officer was paid a gross amount of \$715.40 each week, totaling \$2,861.60. Related to these payments, the fiscal officer was paying herself an annual stipend of \$6,000, divided weekly into \$115.40. The \$6,000 annual stipend was not approved by the Village's mayor or council. We found that the fiscal officer overpaid herself by a total of \$461.40. These overpayments do not constitute a proper public purpose under the definition given by Ohio Attorney General Opinion 82-006. We have referred this matter to the Auditor of State.

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

**Village of New Holland
Pickaway County
Schedule of Prior Audit Findings
December 31, 2020 and 2019**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2018-001	Financial Statement Presentation – Material Weakness	No	Reissued as Finding 2020-001

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NEW HOLLAND

PICKAWAY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/20/2022

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

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