

**VILLAGE OF DUNKIRK
HARDIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022





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Columbus, Ohio 43215
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Village Council
Village of Dunkirk
PO Box 115
Dunkirk, OH 45836

We have reviewed the *Independent Auditor's Report* of the Village of Dunkirk, Hardin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

August 29, 2024

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**VILLAGE OF DUNKIRK
HARDIN COUNTY
Regular Audit
For the Years Ended December 31, 2023 and 2022**

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INDEPENDENT AUDITOR'S REPORT

Village of Dunkirk
Hardin County
P.O. Box 115
Dunkirk, Ohio 45836

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 Dunkirk, Hardin County, Ohio (the Village), which comprise the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2023 and 2022, 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 as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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, 2023 and 2022, or the changes in financial position or cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2024, 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.

Charles E. Harris Associates

Charles E. Harris & Associates, Inc.
July 9, 2024

**VILLAGE OF DUNKIRK
HARDIN COUNTY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
All Governmental Fund Types
For the Year Ended December 31, 2023**

	<u>Governmental Fund Types</u>			<u>Totals- (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Taxes	\$ 11,940	\$ -	\$ -	\$ 11,940
Municipal Income Tax	124,572	-	-	124,572
Intergovernmental	27,095	59,523	-	86,618
Fines, Licenses and Permits	5,324	-	-	5,324
Earnings on Investments	1,832	684	-	2,516
Miscellaneous	15,956	1,017	-	16,973
Total Cash Receipts	186,719	61,224	-	247,943
Cash Disbursements:				
Current:				
Security of Persons & Property	19,131	-	-	19,131
Public Health Services	8,336	-	-	8,336
Leisure Time Activities	9,298	1,450	-	10,748
Community Environment	1,409	-	-	1,409
Basic Utility Services	1,428	39,523	-	40,951
Transportation	3,576	32,027	-	35,603
General Government	86,652	-	-	86,652
Capital Outlay	22,521	26,699	-	49,220
Total Cash Disbursements	152,351	99,699	-	252,050
Total Receipts Over/(Under) Disbursements	34,368	(38,475)	-	(4,107)
Other Financing Receipts (Disbursements):				
Other Financing Uses	(2,375)	-	-	(2,375)
Total Other Financing Receipts (Disbursements)	(2,375)	-	-	(2,375)
Net Change in Fund Cash Balances	31,993	(38,475)	-	(6,482)
Fund Cash Balances, January 1, 2023	271,452	289,648	1	561,101
Fund Cash Balances, December 31, 2023	\$ 303,445	\$ 251,173	\$ 1	\$ 554,619

See Accompanying Notes to the Financial Statements.

**VILLAGE OF DUNKIRK
HARDIN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
For the Year Ended December 31, 2023**

	<u>Enterprise</u>
Operating Receipts:	
Charges for Services	\$ 414,177
Total Operating Receipts	414,177
Operating Disbursements:	
Personal Services	63,588
Fringe Benefits	5,302
Contractual Services	80,947
Supplies and Materials	26,309
Other	1,150
Total Operating Disbursements	177,296
Operating Income	236,881
Non-Operating Receipts (Disbursements):	
Special Assessments	17,491
Miscellaneous Receipts	61
Loans Issued	78,579
Capital Outlay	(128,399)
Principal Retirement	(62,533)
Interest and Other Fiscal Charges	(73,067)
Other Financing Uses	(971)
Total Non-Operating Receipts (Disbursements)	(168,839)
Net Change in Fund Cash Balance	68,042
Fund Cash Balance, January 1, 2023	882,950
Fund Cash Balance, December 31, 2023	\$ 950,992

See Accompanying Notes to the Financial Statements.

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Dunkirk (the Village), Hardin 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 with the aid of a publicly-elected three-member Board of Public Affairs. The Village provides water and sewer utilities, park operations, and maintains the streets and provides street lighting. The Village contracts with the Hardin County Sheriff's department to provide security of persons and property.

Jointly Governed Organizations and Public Entity Risk Pool

The Village participates in jointly governed organizations and a public entity risk pool. Notes 6 and 11 to the financial statements provide 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 statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary 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 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 Maintenance and Repair The state highway maintenance and repair fund accounts for and reports that portion of State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance and repair of State Highways within the Village.

Parks and Recreation The parks and recreation fund accounts for and reports proceeds and expenditures from certain park activities.

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies - Continued

Fund Accounting - Continued

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.

Enterprise Debt Funds This set of funds receive a utility surcharge for repayment of loans within each fund.

Enterprise Debt Reserve Fund This specific fund holds a required reserve to cover one year's payment of the USDA loan #41-033.

Enterprise Improvement - Debt Sewer Fund This fund received a grant to fund the Sewer Separation Project. A utility surcharge is recorded in this fund for repayment of loans within the fund.

Enterprise Deposit Fund This fund facilitates those deposits received from tenants for water sewer utility service. Expenditures are to refund or apply to accounts upon said tenants' moving.

Other Enterprise Fund - Sewer The Village established a short-lived asset fund to comply with USDA requirement that the Village set aside proceeds monthly from sewer collections to assist with maintaining the separated sewer system partially funded by USDA.

Other Enterprise Fund – Water The Village has established a short-lived asset fund for maintaining the water system, with proceeds set aside monthly from water collections to assist with maintaining water treatment and distribution.

Basis of Accounting

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

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

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies - Continued

Budgetary Process

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

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

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

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

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

SBITAs

The Village has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems and various other software. Subscription disbursements are recognized when they are paid.

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies - Continued

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 balances includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

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 (ordinance or resolution). The Village must adhere to these commitments unless the Council amends the ordinance or 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.

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$201,234	\$186,719	(\$14,515)
Special Revenue	59,405	61,224	1,819
Enterprise	625,799	510,308	(115,491)

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$182,227	\$154,726	\$27,501
Special Revenue	153,537	99,699	53,838
Enterprise	600,647	442,266	158,381

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 and investments. A summary of the Village's deposit and investment accounts are as follows:

	2023
<i>Cash Management Pool:</i>	
Demand deposits	\$1,262,546
Certificates of deposit	243,065
Total deposits	\$1,505,611

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Village is holding \$0 in unremitted employee payroll withholdings.

Deposits

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

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

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.

Income Taxes

The Village levies a municipal income tax of one 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.

Note 6 – Risk Management

Workers' Compensation

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

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

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 – Risk Management – Continued

Risk Pool Membership - Continued

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

	<u>2023</u>
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission - Loan CP08H	\$18,494	0%
Ohio Public Works Commission - Loan CP22K	\$100,434	0%
Ohio Public Works Commission - Loan CP87M	\$184,995	0%
Ohio Water Development Authority	\$46,858	0%
USDA-Rural Development-Loan 41-033	\$1,857,400	3.75%
Total	<u>\$2,208,181</u>	

The Ohio Public Works Commission (OPWC) loan CP08H, entered into on July 1, 2004 in the amount of \$184,937 at 0% interest, related to a water tower replacement project. The loan will be repaid in semiannual installments of \$4,623, over 20 years with final maturity scheduled for January 1, 2026. The loan is collateralized by water receipts.

The OPWC loan CP22K, entered into on July 1, 2007 in the amount of \$182,608 at 0% interest, relates to a water treatment improvement. The loan will be repaid in semiannual installments of \$3,043, over 30 years with final maturity scheduled for July 1, 2040. The loan is collateralized by water receipts.

The OPWC loan CT87M, loan relates to a sewer separation project that was mandated by the Ohio Environmental Protection Agency. The OPWC loan was entered into on August 28, 2009 in the amount of \$299,992 at 0% interest. The loan will be repaid in semiannual installments of \$5,000, over 30 years with final maturity scheduled for January 1, 2042. The loan is collateralized by sewer receipts.

The United States Department of Agriculture (USDA) loan 41-033 relates to a sewer separation project that was mandated by the Ohio Environmental Protection Agency. The USDA loan was entered into on April 28, 2011, in the amount of \$2,200,000 at 3.75% interest. The loan will be repaid in annual installments of principal and interest payments over 40 years with final maturity scheduled for April 1, 2051.

The Ohio Water Development Authority (OWDA) loan was originated on February 23, 2023 in the amount of \$128,989 at 0% interest rate. The loan is for a lead service line and water line replacement design project. As of December 31, 2023, OWDA had disbursed a total of \$78,578 to the Village and had forgiven \$31,721, leaving a loan balance of \$46,858. The amortization schedule has not been established.

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt - Continued

Amortization

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

Year Ending December 31:	OPWC CPO8H	OPWC CP22K	OPWC CT87M	USDA 41-033
2024	\$9,247	\$6,086	\$10,000	\$108,241
2025	9,247	6,086	10,000	108,294
2026	-	6,086	10,000	108,290
2027	-	6,086	10,000	108,230
2028	-	6,086	10,000	108,314
2029-2051	-	30,435	50,000	541,201
2034-2038	-	30,435	50,000	541,344
2039-2043	-	9,134	34,995	541,256
2044-2048	-	-	-	541,295
2049-2051	-	-	-	324,816
Total	<u>\$18,494</u>	<u>\$100,434</u>	<u>\$184,995</u>	<u>\$3,031,281</u>

Note 10 – Construction and Contractual Commitments

Wastewater Lagoon Improvements project - The Village was awarded an infrastructure grant to upgrade the lagoon aeration system. The Village entered in a professional services agreement with Wessler Engineering, of Bluffton OH, for \$47,200 in 2022. The project is to be completed in 2024.

Lead Service Line and Waterline Replacement project - The Village was awarded a grant to repair a crumbling foundation on their water tower. In 2022, the Village entered an agreement with Verdantas, LLC for engineering and surveying services for \$179,000. The project is to be completed in 2024.

Note 11 – Jointly Governed Organizations

Blanchard-Dunkirk Ambulance District - This is a jointly-governed organization consisting of Blanchard Township and the Village of Dunkirk, Hardin County, Ohio. The District is governed by a board of trustees consisting of one representative from each entity and a third resident representative. The degree of control is exercised by any participating entity is limited to its representation on the board. Operating funds for the District are provided from property taxes assessed against property owners located within the townships and the Village making up the District and charges assess for services of the District. The Village provides no other funds to the District. Financial information may be obtained from Kathy Schroeder, Clerk, Blanchard-Dunkirk Ambulance District, Hardin County, PO Box 95, 101 S Main Street, Dunkirk, Ohio 45836.

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Jointly Governed Organizations - Continued

Northern Hardin County Fire District (NHCFD) - This is a jointly-governed organization consisting of two townships (Blanchard and Washington) and the Village of Dunkirk, Hardin County, Ohio. The District is governed by a board of trustees consisting of one representative from each member entity. The degree of control exercised by any participating entity is limited to its representation on the board. Operating funds for the District are provided from property taxes assessed against property owners located within the townships and the Village making up the District and charges assess for services of the District. Financial information may be obtained from Kathy Schroeder, Clerk, Blanchard-Dunkirk Ambulance District, Hardin County, PO Box 95, 101 S Main Street, Dunkirk, Ohio 45836.

Hardin County Regional Planning Commission – This commission is a jointly-governed organization consisting of twenty-five subdivisions in Hardin County. The Board consists of representatives from participating political subdivisions, the county commissioners, and appointed citizens. The Village of Dunkirk is represented by the Village Mayor and one council member appointed by the Mayor. Financial information may be obtained from Mark Doll, Director, One Courthouse Square, Suite 130, Kenton, Ohio 43326.

Note 12 – 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 Village had no encumbrances.

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

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**VILLAGE OF DUNKIRK
HARDIN COUNTY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES (REGULATORY CASH BASIS)
All Governmental Fund Types
For the Year Ended December 31, 2022**

	Governmental Fund Types			Totals- (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property Taxes	\$ 13,255	\$ 17,000	\$ -	\$ 30,255
Municipal Income Tax	110,649	-	-	110,649
Intergovernmental	23,084	103,921	-	127,005
Charges for Services	-	1,200	-	1,200
Fines, Licenses and Permits	5,911	-	-	5,911
Earnings on Investments	1,332	53	-	1,385
Miscellaneous	22,864	1,147	-	24,011
Total Cash Receipts	177,095	123,321	-	300,416
Cash Disbursements:				
Current:				
Security of Persons & Property	20,842	-	-	20,842
Public Health Services	4,737	-	-	4,737
Leisure Time Activities	8,554	565	-	9,119
Community Environment	15,466	-	-	15,466
Basic Utility Services	1,309	13,800	-	15,109
Transportation	2,577	16,642	-	19,219
General Government	105,855	-	-	105,855
Capital Outlay	7,904	17,000	-	24,904
Total Cash Disbursements	167,244	48,007	-	215,251
Total Receipts Over/(Under) Disbursements	9,851	75,314	-	85,165
Other Financing Receipts (Disbursements):				
Other Financing Uses	(1,389)	-	-	(1,389)
Total Other Financing Receipts (Disbursements)	(1,389)	-	-	(1,389)
Net Change in Fund Cash Balances	8,462	75,314	-	83,776
Fund Cash Balances, January 1, 2022	262,990	214,334	1	477,325
Fund Cash Balances, December 31, 2022	\$ 271,452	\$ 289,648	\$ 1	\$ 561,101

See Accompanying Notes to the Financial Statements.

**VILLAGE OF DUNKIRK
HARDIN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
For the Year Ended December 31, 2022**

	Enterprise
Operating Receipts:	
Charges for Services	\$ 398,384
Total Operating Receipts	398,384
Operating Disbursements:	
Personal Services & Employee Benefits	60,846
Fringe Benefits	3,984
Contractual Services	77,970
Supplies and Materials	34,483
Other Disbursements	1,500
Total Operating Disbursements	178,783
Operating Income	219,601
Non-Operating Receipts (Disbursements):	
Special Assessments	19,170
Miscellaneous Receipts	135
Capital Outlay	(14,566)
Principal Retirement	(61,235)
Interest and Other Fiscal Charges	(72,383)
Other Financing Uses	(1,428)
Total Non-Operating Receipts (Disbursements)	(130,307)
Net Change in Fund Cash Balance	89,294
Fund Cash Balance, January 1, 2022	793,656
Fund Cash Balance, December 31, 2022	\$ 882,950

See Accompanying Notes to the Financial Statements.

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Dunkirk (the Village), Hardin 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 with the aid of a publicly-elected three member Board of Public Affairs. The Village provides water and sewer utilities, park operations, and maintains the streets and provides street lighting. The Village contracts with the Hardin County Sheriff's department to provide security of persons and property.

Jointly Governed Organizations and Public Entity Risk Pool

The Village participates in jointly governed organizations and a public entity risk pool. Notes 6 and 11 to the financial statements provide 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 statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary 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 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 Maintenance and Repair The state highway maintenance and repair fund accounts for and reports that portion of State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance and repair of State highways within the Village.

Parks and Recreation The parks and recreation fund accounts for and reports proceeds and expenditures from certain park activities.

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies - Continued

Fund Accounting - Continued

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.

Enterprise Debt Funds This set of funds receive a utility surcharge for repayment of loans within each fund.

Enterprise Debt Reserve Fund This specific fund holds a required reserve to cover one year's payment of the USDA loan #41-033.

Enterprise Improvement - Debt Sewer Fund This fund received a grant to fund the Sewer Separation Project. A utility surcharge is recorded in this fund for repayment of loans within the fund.

Enterprise Deposit Fund This fund facilitates those deposits received from tenants for water sewer utility service. Expenditures are to refund or apply to accounts upon said tenants' moving.

Other Enterprise Fund - Sewer The Village established a short-lived asset fund to comply with USDA requirement that the Village set aside proceeds monthly from sewer collections to assist with maintaining the separated sewer system partially funded by USDA.

Other Enterprise Fund – Water The Village has established a short-lived asset fund for maintaining the water system, with proceeds set aside monthly from water collections to assist with maintaining water treatment and distribution.

Basis of Accounting

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

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

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies - Continued

Budgetary Process

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

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

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

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

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies - Continued

Fund Balance - Continued

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 (ordinance/resolution). The Village must adhere to these commitments unless the Council amends the ordinance or 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, 2022 follows:

Fund Type	2022 Budgeted vs. Actual Receipts		Variance
	Budgeted Receipts	Actual Receipts	
General	\$180,308	\$177,095	(\$3,213)
Special Revenue	122,017	123,321	\$1,304
Enterprise	448,485	417,689	(\$30,796)

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 – Budgetary Activity - Continued

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$185,433	\$168,633	\$16,800
Special Revenue	153,818	48,007	105,811
Enterprise	374,648	328,395	46,253

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
<i>Cash Management Pool:</i>	
Demand deposits	\$1,201,551
Certificates of deposit	242,500
Total deposits	\$1,444,051

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Village is holding \$0 in unremitted employee payroll withholdings.

Deposits

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

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.

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 5 – Taxes - Continued

Property Taxes

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.

Income Taxes

The Village levies a municipal income tax of one 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.

Note 6 – Risk Management

Workers' Compensation

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

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>2022</u>
Cash and investments	\$ 42,310,794
Actuarial liabilities	\$ 15,724,479

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

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

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

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022.

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

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt

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

	Principal	Interest Rate
Ohio Public Works Commission - Loan CP08H	\$27,740	0%
Ohio Public Works Commission - Loan CP22K	\$106,521	0%
Ohio Public Works Commission - Loan CP87M	\$194,995	0%
USDA-Rural Development-Loan 41-033	1,894,600	3.75%
Total	\$2,223,856	

The Ohio Public Works Commission (OPWC) loan CP08H, entered into on July 1, 2004 in the amount of \$184,937 at 0% interest, related to a water tower replacement project. The loan will be repaid in semiannual installments of \$4,623, over 20 years with final maturity scheduled for January 1, 2026. The loan is collateralized by water receipts.

The OPWC loan CP22K, entered into on July 1, 2007 in the amount of \$182,608 at 0% interest, relates to a water treatment improvement. The loan will be repaid in semiannual installments of \$3,043, over 30 years with final maturity scheduled for July 1, 2040. The loan is collateralized by water receipts.

The OPWC loan CT87M, loan relates to a sewer separation project that was mandated by the Ohio Environmental Protection Agency. The OPWC loan was entered into on August 28, 2009 in the amount of \$299,992 at 0% interest. The loan will be repaid in semiannual installments of \$5,000, over 30 years with final maturity scheduled for July 1, 2042. The loan is collateralized by sewer receipts.

The United States Department of Agriculture (USDA) loan 41-033 relates to a sewer separation project that was mandated by the Ohio Environmental Protection Agency. The USDA loan was entered into on April 28, 2011, in the amount of \$2,200,000 at 3.75% interest. The loan will be repaid in annual installments of principal and interest payments over 40 years with final maturity scheduled for April 1, 2051.

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt - Continued

Amortization

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

Year Ending December 31:	OPWC CP08H	OPWC CP22K	OPWC CP22K	USDA 41-033
2023	\$9,247	\$6,087	\$10,000	\$108,236
2024	9,247	6,087	10,000	108,241
2025	9,246	6,087	10,000	108,294
2026	-	6,087	10,000	108,290
2027	-	6,087	10,000	108,230
2028-2032	-	30,435	50,000	541,346
2033-2037	-	30,435	50,000	541,211
2038-2042	-	15,216	44,995	541,325
2043-2047	-	-	-	541,304
2048-2051	-	-	-	433,040
Total	<u>\$27,740</u>	<u>\$106,521</u>	<u>\$194,995</u>	<u>\$3,139,517</u>

Note 10 – Construction and Contractual Commitments

Wastewater Lagoon Improvements project - The Village was awarded an infrastructure grant to upgrade the lagoon aeration system. The Village entered in a professional services agreement with Wessler Engineering, of Bluffton OH, for \$47,200 in 2022. The project is to be completed in 2024.

Lead Service Line and Waterline Replacement project - The Village was awarded a grant to repair a crumbling foundation on their water tower. In 2022, the Village entered an agreement with Verdantas, LLC for engineering and surveying services for \$179,000. The project is to be completed in 2024.

Note 11 – Jointly Governed Organizations

Blanchard-Dunkirk Ambulance District - This is a jointly-governed organization consisting of Blanchard Township and the Village of Dunkirk, Hardin County, Ohio. The District is governed by a board of trustees consisting of one representative from each entity and a third resident representative. The degree of control is exercised by any participating entity is limited to its representation on the board. Operating funds for the District are provided from property taxes assessed against property owners located within the townships and the Village making up the District and charges assessed for services of the District. The Village provides no other funds to the District. Financial information may be obtained from Kathy Schroeder, Clerk, Blanchard-Dunkirk Ambulance District, Hardin County, PO Box 95, 101 S Main Street, Dunkirk, Ohio 45836.

Village of Dunkirk, Ohio
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Jointly Governed Organizations – Continued

Northern Hardin County Fire District (NHCFD) - This is a jointly-governed organization consisting of two townships (Blanchard and Washington) and the Village of Dunkirk, Hardin County, Ohio. The District is governed by a board of trustees consisting of one representative from each member entity. The degree of control exercised by any participating entity is limited to its representation on the board. Operating funds for the District are provided from property taxes assessed against property owners located within the townships and the Village making up the District and charges assess for services of the District. Financial information may be obtained from Kathy Schroeder, Clerk, Blanchard-Dunkirk Ambulance District, Hardin County, PO Box 95, 101 S Main Street, Dunkirk, Ohio 45836.

Hardin County Regional Planning Commission – This commission is a jointly-governed organization consisting of twenty-five subdivisions in Hardin County. The Board consists of representatives from participating political subdivisions, the county commissioners, and appointed citizens. The Village of Dunkirk is represented by the Village Mayor and one council member appointed by the Mayor. Financial information may be obtained from Mark Doll, Director, One Courthouse Square, Suite 130, Kenton, Ohio 43326.

Note 12 – 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 Village had no encumbrances.

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

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

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

Village of Dunkirk
Hardin County
P.O. Box 115
Dunkirk, Ohio 45836

To the Village Council:

We have audited, in accordance with 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, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements of the Village of Dunkirk, Hardin County, (the Village) and have issued our report thereon dated July 9, 2024, wherein we noted that the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 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 purposes 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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2023-001 that we consider to be a material weakness.

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*.

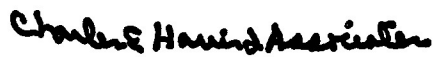
We also noted matters not requiring inclusion in this report that were reported to the Village's management in a separate letter dated July 9, 2024.

Village's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the finding identified in our audit and described in the accompanying Corrective Action Plan. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

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.



Charles E. Harris & Associates, Inc.
July 9, 2024

VILLAGE OF DUNKIRK
HARDIN COUNTY
Schedule of Findings
December 31, 2023 and 2022

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

Finding Number 2023-001 – Material Weakness

Audit Adjustments, Reclassifications and Notes to the Financial Statements

During 2023 and 2022, errors were noted in the Village's financial statements that required audit adjustments, reclassifications, and revision to the notes to the financial statements, the most significant of which are as follows:

- Loan proceeds of \$76,548 in 2023 were erroneously recorded as intergovernmental receipts in the enterprise fund and loan fees of \$2,031 were not recorded.
- In 2022, the cost of removing a tree for \$3,200 was erroneously recorded as a capital outlay rather than a community environment disbursement.
- In 2023, a new loan for \$46,858 was not recorded nor disclosed in the notes to the financial statements.
- The notes to the financial statements included outdated information and excluded required disclosures.

The accompanying financial statements and the Village's records have been adjusted to properly reflect these transactions.

Sound financial reporting is the responsibility of the Village and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the Village adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use the Uniform Accounting Network Manual and other Auditor of State guidance to aid in properly identifying account classifications and preparing annual financial statements. They can also use the footnote templates at ohioauditor.gov.

Management's Response:

See Corrective Action Plan on page 31.

**VILLAGE OF DUNKIRK
HARDIN COUNTY
For the Years Ended December 31, 2023 and 2022**

CORRECTIVE ACTION PLAN – PREPARED BY MANAGEMENT

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2023-001	The Fiscal Officer will review the Village Officer’s Handbook and other Auditor of State guidance as references when recording transactions.	December 2024	Teresa Cramer, Mayor

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF DUNKIRK

HARDIN 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 9/10/2024

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