

***VILLAGE OF ROCK CREEK***

***ASHTABULA COUNTY***

Regular Audit

For the Years Ended December 31, 2022 and 2021







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Village Council  
Village of Rock Creek  
PO Box 92  
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We have reviewed the *Independent Auditor's Report* of the Village of Rock Creek, Ashtabula County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

September 29, 2023

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**Village of Rock Creek**  
**Ashtabula County**  
For the Years Ended December 31, 2022 and 2021

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**INDEPENDENT AUDITOR'S REPORT**

Village of Rock Creek  
Ashtabula County  
P.O. Box 92  
Rock Creek, Ohio 44084

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 Rock Creek, Ashtabula 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, 2022 and 2021, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2022 and 2021, or the changes in financial position or 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 Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matter***

As discussed in Note 14 to the financial statements in 2021 and 2022, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinions regarding this matter.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2023 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
July 27, 2023

**Village of Rock Creek, Ohio**  
*Ashtabula County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2022*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 27,668	\$ 42,858	\$ -	\$ 70,526
Municipal Income Tax	98,388	-	10,225	108,613
Intergovernmental	23,416	84,251	-	107,667
Fines, Licenses and Permits	195	-	-	195
Earnings on Investments	239	-	-	239
Miscellaneous	33,724	1,650	-	35,374
<i>Total Cash Receipts</i>	<u>183,630</u>	<u>128,759</u>	<u>10,225</u>	<u>322,614</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	17,836	15,050	-	32,886
Public Health Services	11,924	4,248	-	16,172
Leisure Time Activities	-	1,500	-	1,500
Basic Utility Services	2,177	-	-	2,177
Transportation	-	84,683	-	84,683
General Government	157,550	1,203	-	158,753
Capital Outlay	442	-	-	442
Debt Service:				
Principal Retirement	-	-	10,225	10,225
<i>Total Cash Disbursements</i>	<u>189,929</u>	<u>106,684</u>	<u>10,225</u>	<u>306,838</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(6,299)	22,075	-	15,776
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	1,500	-	1,500
Transfers Out	(1,500)	-	-	(1,500)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,500)</u>	<u>1,500</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(7,799)	23,575	-	15,776
<i>Fund Cash Balances, January 1</i>	<u>52,816</u>	<u>245,943</u>	<u>6,202</u>	<u>304,961</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 45,017</u>	<u>\$ 269,518</u>	<u>\$ 6,202</u>	<u>\$ 320,737</u>

*See accompanying notes to the financial statements*

**Village of Rock Creek, Ohio**  
*Ashtabula County*  
*Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2022*

	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 398,885
Miscellaneous	<u>228</u>
<i>Total Operating Cash Receipts</i>	<u>399,113</u>
<b>Operating Cash Disbursements</b>	
Personal Services	97,578
Employee Fringe Benefits	11,138
Contractual Services	368,328
Supplies and Materials	51,694
Other	<u>42</u>
<i>Total Operating Cash Disbursements</i>	<u>528,780</u>
<i>Operating Income (Loss)</i>	(129,667)
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental	9,446
Miscellaneous Receipts	2,040
Principal Retirement	(12,383)
Interest and Other Fiscal Charges	<u>(1,163)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(2,060)</u>
<i>Net Change in Fund Cash Balances</i>	(131,727)
<i>Fund Cash Balances, January 1</i>	<u>389,459</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 257,732</u></u>

*See accompanying notes to the financial statements*

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

The Village of Rock Creek (the Village), Ashtabula 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. The Village contracts with the Ashtabula County Sheriff's department to provide security of persons and property. The Village contracts with Morgan Township to receive fire protection services.

***Jointly Governed Organization and Public Entity Risk Pool***

The Village participates in a jointly governed organization. Note 11 to the financial statements provides additional information for this organization.

The Village also participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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 the 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 Fund:

***Street Construction, Maintenance, and Repair Fund*** The Street Construction, Maintenance, and Repair Fund accounts for and reports property taxes and intergovernmental receipts restricted for the purpose of constructing, maintaining, and repairing Village roads.

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

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

**Other Capital Projects Fund** The Other Capital Projects Fund accounts for and reports income tax to segregate monies to be used for debt payments on the water line construction loan.

**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 Operating Fund** The Water Operating Fund accounts for and reports the receipt of charges for services from residents to cover the cost of providing water service.

**Sewer Operating Fund** The Sewer Operating Fund accounts for and reports the receipt of charges for services from residents to cover the cost of providing sewer service.

***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 disbursements when a commitment is made (i.e., when an encumbrance is approved).

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

***Budgetary Process***

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

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

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

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

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

A summary of 2022 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.

***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.

***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 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 13.

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**Note 3 – Budgetary Activity**

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 135,767	\$ 183,630	\$ 47,863
Special Revenue	116,697	130,259	13,562
Capital Projects	10,225	10,225	-
Enterprise	411,446	410,599	(847)

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 200,904	\$ 192,316	\$ 8,588
Special Revenue	197,574	107,193	90,381
Capital Projects	10,225	10,225	-
Enterprise	612,507	554,435	58,072

**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 accounts are as follows:

Demand deposits	2022 \$ 578,469
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The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Village had no unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Depository Insurance Corporation; 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 Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**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.

***Income Taxes***

The Village levies a municipal income tax of 1% 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 – Interfund Transfers**

***Transfers***

During 2022, the following transfers were made:

Transfer from General Fund to the Parks and Recreation Fund: \$1,500

**Note 7 – 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.



**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 7 – Risk Management (continued)**

***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, 2021 (latest information available):

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

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Social Security***

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

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

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. For OPERS, the portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4% during calendar year 2022.

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

**Note 10 – Debt**

Debt outstanding at December 31, 2022 was as follows:

	Principal	Interest Rate
OWDA #4534 - Water Distribution System	\$ 135,104	1%
OPWC #CG22D - East Water Street Project	16,104	0%
OPWC #CG31K - Water Tower Project	6,015	0%
OPWC #CG02I - Water System Improvement	12,500	0%
OPWC #CT08L - Jefferson Street	17,387	0%
Total	\$ 187,110	

The OWDA loan was secured to implement water distribution improvements. The loan will be repaid in semi-annual installments of \$5,206 including interest over a 30-year period. The village originally borrowed \$229,822. The loan is collateralized by water receipts. The final payment is due July 1, 2036.

The OPWC Loan #CG22d was issued to finance water line improvements for East Water Street. The original issue was for \$161,031 and will be repaid in semi-annual payments of \$4,026 over 20 years. The final payment is due on January 1, 2024.

The OPWC loan #CG021 was issued for water system improvements. The original loan was issued for \$50,000 and will be repaid in semi-annual installments of \$1,250 over 20 years. This loan is collateralized by water user fees. The final payment is due January 1, 2026.

The OPWC loan #CT08L was issued for the Jefferson Street phase 1 improvements. The original issue was in the amount of \$43,464 and is to be repaid in semi-annual installments of \$1,087 over 20 years. This loan is collateralized by water user fees. The final payment is due on July 1, 2030.

The OPWC loan #CG31K was issued for the improvements to the water tower. The original issue for the loan was \$12,663 and is to be repaid in semi-annual installments of \$317 over 20 years. The final payment is due on July 1, 2031.

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**Note 10 – Debt (Continued)**

***Amortization***

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

Year Ending December 31:	OPWC Loans	OWDA Loan
2023	\$ 13,358	\$ 10,412
2024	13,358	10,412
2025	13,359	10,412
2026	11,931	10,412
2027	-	10,412
2028-2032	-	52,063
2033-2037	-	41,651
Total	<u>\$ 52,006</u>	<u>\$ 145,774</u>

**Note 11– Jointly Governed Organizations**

Union Cemetery is directed by a three-member board of trustees. The board oversees the operations of the cemetery. The Village of Rock Creek, Morgan Township and the Village of Roaming Shores each appoint a member to the board. These entities also provide funding to meet the cemetery’s operating costs under the agreement established.

**Note 12 – Contingent Liabilities**

The Village may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village’s financial condition.

**Note 13– Fund Balances**

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

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$ 732	\$ -	\$ 732
Outstanding Encumbrances	887	509	1,396
<i>Total</i>	<u>\$ 1,619</u>	<u>\$ 509</u>	<u>\$ 2,128</u>

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 13– Fund Balances (Continued)**

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 and assigned amounts in the special revenue and capital projects funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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

**Village of Rock Creek, Ohio**  
*Ashtabula County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2021*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 28,083	\$ 41,893	\$ -	\$ 69,976
Municipal Income Tax	90,726	-	3,651	94,377
Intergovernmental	25,242	81,302	-	106,544
Fines, Licenses and Permits	862	-	-	862
Earnings on Investments	154	-	-	154
Miscellaneous	5,584	7,895	-	13,479
<i>Total Cash Receipts</i>	<u>150,651</u>	<u>131,090</u>	<u>3,651</u>	<u>285,392</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	18,000	14,937	-	32,937
Public Health Services	3,559	6,940	-	10,499
Leisure Time Activities	-	1,931	-	1,931
Basic Utility Services	2,902	-	-	2,902
Transportation	-	66,012	-	66,012
General Government	147,614	-	-	147,614
Debt Service:				
Principal Retirement	-	-	10,225	10,225
<i>Total Cash Disbursements</i>	<u>172,075</u>	<u>89,820</u>	<u>10,225</u>	<u>272,120</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(21,424)	41,270	(6,574)	13,272
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	500	-	-	500
Transfers In	-	1,500	-	1,500
Transfers Out	(1,500)	-	-	(1,500)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,000)</u>	<u>1,500</u>	<u>-</u>	<u>500</u>
<i>Net Change in Fund Cash Balances</i>	(22,424)	42,770	(6,574)	13,772
<i>Fund Cash Balances, January 1, restated</i>	<u>75,240</u>	<u>203,173</u>	<u>12,776</u>	<u>291,189</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 52,816</u>	<u>\$ 245,943</u>	<u>\$ 6,202</u>	<u>\$ 304,961</u>

*See accompanying notes to the financial statements*

**Village of Rock Creek, Ohio**  
*Ashtabula County*  
*Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2021*

	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 408,453
<i>Total Operating Cash Receipts</i>	<u>408,453</u>
<b>Operating Cash Disbursements</b>	
Personal Services	98,150
Employee Fringe Benefits	14,703
Contractual Services	276,283
Supplies and Materials	46,081
Other	<u>91</u>
<i>Total Operating Cash Disbursements</i>	<u>435,308</u>
<i>Operating Income (Loss)</i>	(26,855)
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental	18,892
Miscellaneous Receipts	21,324
Principal Retirement	(12,383)
Interest and Other Fiscal Charges	<u>(1,163)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>26,670</u>
<i>Net Change in Fund Cash Balances</i>	(185)
<i>Fund Cash Balances, January 1, restated</i>	<u>389,644</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 389,459</u></u>

*See accompanying notes to the financial statements*

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The Village of Rock Creek (the Village), Ashtabula 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. The Village contracts with the Ashtabula County Sheriff's department to provide security of persons and property. The Village contracts with Morgan Township to receive fire protection services.

***Jointly Governed Organization and Public Entity Risk Pool***

The Village participates in a jointly governed organization. Note 11 to the financial statements provides additional information for this organization.

The Village also participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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 the 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 Fund*** The Street Construction, Maintenance, and Repair Fund accounts for and reports property taxes and intergovernmental receipts restricted for the purpose of constructing, maintaining, and repairing Village roads.

***Permissive Motor Vehicle License Fund*** The Permissive Motor Vehicle License Fund accounts for and reports intergovernmental receipts restricted for the purpose of providing transportation services to the Village.

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

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

**Other Capital Projects Fund** The Other Capital Projects Fund accounts for and reports income tax to segregate monies to be used for debt payments on the water line construction loan.

**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 Operating Fund** The Water Operating Fund accounts for and reports the receipt of charges for services from residents to cover the cost of providing water service.

**Sewer Operating Fund** The Sewer Operating Fund accounts for and reports the receipt of charges for services from residents to cover the cost of providing sewer service.

***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 disbursements when a commitment is made (i.e., when an encumbrance is approved).

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

***Budgetary Process***

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

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

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

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



**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

A summary of 2021 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.

***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.

***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 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 13.

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 3 – Budgetary Activity**

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 138,543	\$ 151,151	\$ 12,608
Special Revenue	92,525	132,590	40,065
Capital Projects	10,661	3,651	(7,010)
Enterprise	389,923	448,669	58,746

2021 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 201,593	\$ 175,196	\$ 26,397
Special Revenue	131,447	90,198	41,249
Capital Projects	12,776	10,225	2,551
Enterprise	586,102	454,214	131,888

**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 accounts are as follows:

	2021
Demand deposits	\$ 694,420

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Village had no unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Depository Insurance Corporation; 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 Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**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.

***Income Taxes***

The Village levies a municipal income tax of 1% 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 – Interfund Transfers**

***Transfers***

During 2021, the following transfers were made:

Transfer from General Fund to the Parks and Recreation Fund: \$1,500

**Note 7 – 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.

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 7 – Risk Management (continued)**

***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, 2021:

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

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Social Security***

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

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

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. For OPERS, the portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4% during calendar year 2021.

**Note 10 – Debt**

Debt outstanding at December 31, 2021 was as follows:

	Principal	Interest Rate
OWDA #4534 - Water Distributiong System	\$ 144,354	1%
OPWC #CG22D - East Water Street Project	24,156	0%
OPWC #CG31K - Water Tower Project	6,648	0%
OPWC #CG02I - Water System Improvement	15,000	0%
OPWC #CT08L - Jefferson Street	19,560	0%
Total	\$ 209,718	

The OWDA loan was secured to implement water distribution improvements. The loan will be repaid in semi-annual installments of \$5,206 including interest over a 30-year period. The Village originally borrowed \$229,822. The loan is collateralized by water receipts. The final payment is due July 1, 2036.

The OPWC Loan #CG22d was issued to finance water line improvements for East Water Street. The original issue was for \$161,031 and will be repaid in semi-annual payments of \$4,026 over 20 years. The final payment is due on January 1, 2024.

The OPWC loan #CG021 was issued for water system improvements. The original loan was issued for \$50,000 and will be repaid in semi-annual installments of \$1,250 over 20 years. This loan is collateralized by water user fees. The final payment is due January 1, 2026.

The OPWC loan #CT08L was issued for the Jefferson Street phase 1 improvements. The original issue was in the amount of \$43,464 and is to be repaid in semi-annual installments of \$1,087 over 20 years. This loan is collateralized by water user fees. The final payment is due on July 1, 2030.

The OPWC loan #CG31K was issued for the improvements to the water tower. The original issue for the loan was \$12,663 and is to be repaid in semi-annual installments of \$317 over 20 years. The final payment is due on July 1, 2031.

***Amortization***

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

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 10 – Debt (Continued)**

Year Ending December 31:	OPWC Loans	OWDA Loan
2022	\$ 13,358	\$ 10,412
2023	13,358	10,412
2024	13,359	10,412
2025	13,359	10,412
2026	11,930	10,412
2027-2031	-	52,063
2032-2036	-	52,063
Total	\$ 65,364	\$ 156,186

**Note 11– Jointly Governed Organizations**

Union Cemetery is directed by a three-member board of trustees. The board oversees the operations of the cemetery. The Village of Rock Creek, Morgan Township and the Village of Roaming Shores each appoint a member to the board. These entities also provide funding to meet the cemetery’s operating costs under the agreement established.

**Note 12 – Contingent Liabilities**

The Village may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village’s financial condition.

**Note 13– Fund Balances**

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

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$ 732	\$ -	\$ 732
Outstanding Encumbrances	1,621	378	1,999
<i>Total</i>	\$ 2,353	\$ 378	\$ 2,731

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 and assigned amounts in the special revenue and capital projects funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Village of Rock Creek**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**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. Ohio's state of emergency ended in June 2021, while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**Note 15 – Prior Year Adjustments**

In 2021, the beginning fund balance of the General Fund was increased by \$441; Special Revenue was increased by \$39; Enterprise Fund was increased by \$960 due to voided checks from the prior year.

***Charles E. Harris & Associates, Inc.***

*Certified Public Accountants*

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

Village of Rock Creek  
Ashtabula County  
P.O. Box 92  
Rock Creek, Ohio 44084

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 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, 2022 and 2021 and the related notes to the financial statements of the Village of Rock Creek, Ashtabula County, (the Village) and have issued our report thereon dated July 27, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

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

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider finding 2022-001 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 certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated July 27, 2023.

***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 27, 2023

**VILLAGE OF ROCK CREEK  
ASHTABULA COUNTY  
Schedule of Findings  
December 31, 2022 and 2021**

<b>Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS</b>
--

**Finding Number 2022-001 – Material Weakness**

**Audit Adjustments/Reclassifications:**

The Village erroneously recorded numerous transactions during 2022 and 2021. The more significant adjustments are as follow:

- In 2021, the General Fund had Rollback/Homestead receipts in Property and Other Local Taxes of \$3,003 that were reclassified as Intergovernmental.
- In 2021, the Special Revenue Fund had Rollback/Homestead receipts in Property and Other Local Taxes of \$4,425 that were reclassified as Intergovernmental.
- In 2021 and 2022, the General Fund had mapped to the beginning balance \$732 from the unclaimed monies fund.
- In 2021, the General Fund had receipts in Miscellaneous of \$7,895 and \$9,762, respectively that were reclassified as Miscellaneous Receipts in the Special Revenue Funds and Enterprise Funds.
- In 2021, the General Fund had receipts in Miscellaneous of \$500 that were reclassified as Sale of Capital Assets.
- In 2021, the Enterprise Fund had receipts in Miscellaneous of \$18,892 that were reclassified as Intergovernmental.
- In 2021, the Enterprise Fund had receipts in Miscellaneous of \$900 that were reclassified as Charges for Services.
- In 2022, the General Fund had Rollback/Homestead receipts in Property and Other Local Taxes of \$2,915 that were reclassified as Intergovernmental.
- In 2022, the Special Revenue Fund had Rollback/Homestead receipts in Property and Other Local Taxes of \$4,286 that were reclassified as Intergovernmental.
- In 2022, the General Fund had receipts in Miscellaneous of \$1,650 and \$2,040, respectively that were reclassified as Miscellaneous Receipts in the Special Revenue Funds and Enterprise Funds.
- In 2022, the Enterprise Fund had receipts in Miscellaneous of \$9,446 that were reclassified as Intergovernmental.
- In 2021, the Enterprise Fund had disbursements in Contractual Services of \$604 that were reclassified as Principal Retirement.
- In 2021 and 2022, changes were necessary to correct various items in the footnotes.

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

**VILLAGE OF ROCK CREEK  
ASHTABULA COUNTY  
Schedule of Findings  
December 31, 2022 and 2021**

<b>Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS - Continued</b>
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**Finding Number 2022-001 – Material Weakness (Continued)**

Failure to report transactions correctly results in the financial statements not being accurately presented. We recommend that the Fiscal Officer refer to the Village Officers' Handbook, Uniform Accounting Network manual and other Auditor of State guidance to properly classify its transactions. In addition, we recommend the Fiscal Officer adopt policies and procedures on the reviewing all financial reports compiled by UAN to ensure their accuracy.

**Management Response:**

See Corrective Action Plan.

**VILLAGE OF ROCK CREEK  
ASHTABULA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS – Prepared by Management  
December 31, 2022 and 2021**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Material Weakness – Adjust Adjustments and Reclassifications	Not Corrected	

**VILLAGE OF ROCK CREEK  
ASHTABULA COUNTY**

**CORRECTIVE ACTION PLAN – Prepared by Management  
For the Years Ended December 31, 2022 and 2021**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2022-001	Management will work to ensure all transactions are properly posted in order to report the most accurate information.	Immediately	Pam Forristal, Fiscal Officer

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF ROCK CREEK**

**ASHTABULA 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 10/12/2023**

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

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