

VILLAGE OF LEETONIA

COLUMBIANA COUNTY

Regular Audit

For the Years Ended December 31, 2023 and 2022





65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Village Council
Village of Leetonia
300 East Main Street
Leetonia, OH 44431

We have reviewed the *Independent Auditor's Report* of the Village of Leetonia, Columbiana 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 Leetonia is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

June 24, 2024

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Village of Leetonia
Columbiana County
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Charles E. Harris & Associates, Inc.

Certified Public Accountants

5510 Pearl Road Ste 102

Parma OH 44129-2550

Phone - (216) 575-1630

Fax - (216) 436-2411

INDEPENDENT AUDITOR'S REPORT

Village of Leetonia
Columbiana County
300 East Main Street
Leetonia, OH 44431

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 Leetonia, Columbiana 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 June 10, 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, Inc.

June 10, 2024

Village of Leetonia
Columbiana 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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
Cash Receipts:					
Property and Other Local Taxes	\$ 73,824	\$ 114,565	\$ -	\$ -	\$ 188,389
Municipal Income Tax	1,176,085	-	-	-	1,176,085
Intergovernmental	212,959	193,619	-	-	406,578
Charges for Services	45,973	178,979	-	50	225,002
Fines, Licenses and Permits	28,953	157	-	-	29,110
Earnings on Investments	36,665	112	-	974	37,751
Miscellaneous	41,004	56,252	-	-	97,256
<i>Total Cash Receipts</i>	1,615,463	543,684	-	1,024	2,160,171
Cash Disbursements:					
Current:					
Security of Persons and Property	452,077	412,531	-	-	864,608
Public Health Services	6,678	260,278	-	-	266,956
Leisure Time Activities	10,566	702	-	-	11,268
Community Environment	20,526	-	-	-	20,526
Transportation	-	207,854	-	-	207,854
General Government	392,780	1,216	-	-	393,996
Capital Outlay	605,990	69,847	-	-	675,837
Debt Service:					
Principal Retirement	-	63,001	-	-	63,001
Interest and Fiscal Charges	-	3,240	-	-	3,240
<i>Total Cash Disbursements</i>	1,488,617	1,018,669	-	-	2,507,286
<i>Excess of Receipts Over/(Under) Disbursements</i>	126,846	(474,985)	-	1,024	(347,115)
Other Financing Receipts/(Disbursements):					
Sale of Capital Assets	3,657	60	-	-	3,717
Transfers In	-	166,000	-	-	166,000
Transfers Out	(166,000)	-	-	-	(166,000)
<i>Total Other Financing Receipts/(Disbursements)</i>	(162,343)	166,060	-	-	3,717
Extraordinary Item	26,504	158,604	-	-	185,108
<i>Net Change in Fund Cash Balances</i>	(8,993)	(150,321)	-	1,024	(158,290)
<i>Fund Cash Balances, January 1, Restated</i>	513,045	1,118,385	8,723	61,189	1,701,342
<i>Fund Cash Balances, December 31</i>	<u>\$ 504,052</u>	<u>\$ 968,064</u>	<u>\$ 8,723</u>	<u>\$ 62,213</u>	<u>\$ 1,543,052</u>

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

Village of Leetonia
Columbiana County
Combined Statement of Receipts, Disbursements, and Changes in
Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2023

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 1,231,153
<i>Total Operating Cash Receipts</i>	<i>1,231,153</i>
Operating Cash Disbursements:	
Personal Services	310,772
Fringe Benefits	73,183
Contractual Services	473,054
Supplies and Materials	178,452
Other	7,344
<i>Total Operating Cash Disbursements</i>	<i>1,042,805</i>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<i>188,348</i>
Non-Operating Receipts (Disbursements)	
Capital Outlay	(120,275)
Principal Retirement	(58,812)
Interest and Other Fiscal Charges	(5,359)
<i>Total Other Financing Receipts/(Disbursements)</i>	<i>(184,446)</i>
Special Item	2,240
<i>Net Change in Fund Cash Balances</i>	<i>6,142</i>
<i>Fund Cash Balances, January 1</i>	<i>512,032</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 518,174</i>

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

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Leetonia (the Village), Columbiana County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, police service, fire and EMS services.

Public Entity Risk Pools

The Village participates in Public Entity Pool of Ohio. Note 6 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 combined 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.

Fire Fund The fire fund receives property tax receipts and contracts with other entities to provide fire protection services.

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

General Improvement Fund This fund accounts for the local share of improvement projects.

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent fund:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Village's cemetery.

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 This fund receives charges for services from residents to cover water service costs.

Sewer Fund This fund receives charges for services from residents to cover sewer service costs.

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.

A summary of 2023 budgetary activity appears in Note 3.

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

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.

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.

Accumulated Leave

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

Fund Balance

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

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

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

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

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

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

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

Note 3 – Budgetary Activity

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,771,948	\$ 1,645,624	\$(126,324)
Special Revenue	856,618	868,348	11,730
Permanent	72	1,024	952
Enterprise	1,302,662	1,233,393	(69,269)

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,951,695	\$ 1,659,666	\$ 292,029
Special Revenue	1,277,636	1,021,454	256,182
Permanent	-	-	-
Enterprise	1,366,464	1,231,124	135,340

Note 4 – Deposits and Investments

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

	2023
Demand deposits	\$ 860,657
Certificates of deposit	84,148
Other time deposits (savings and NOW accounts)	1,116,421
Total deposits	\$2,061,226

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (continued)

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, 2023, the Village has \$291 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit 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.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees 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. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

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

Income Taxes

The Village levies a municipal income tax of 1.5% 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

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 policy. The Pool covers the following risks:

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

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 - Risk Management (continued)

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

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

Workers' Compensation

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% 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, 2023.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2023.

Social Security

Some Village 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, 2023.

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer 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. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% 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%; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5% to fund these benefits.

Note 9 – Debt

Debt Outstanding at December 31, 2023 was as follows:

	Principal	Interest Rate
OPWC Grit Chamber	\$ 50,658	0.00%
OWDA Salem Leetonia Waterline Project	256,139	1.00%
OWDA Water Meters	255,724	1.02%
Columbiana County Port Authority Paving	174,000	2.00%
OPWC Waterline Project	141,901	0.00%
Total	\$ 878,422	

The Village has agreed to set water rates sufficient to cover the Ohio Water Development Authority Salem-Leetonia Waterline Project Note debt service requirements.

The Ohio Public Works Commission (OPWC) loan relates to the Grit Chamber. The OPWC approved a loan of \$66,078 for this project. The Village will repay the loan in semiannual installments of \$1,101.27 for thirty years.

The Village has agreed to set water rates sufficient to cover the Ohio Water Development Authority Water Meter Note debt service requirements. The OWDA approved a loan of \$294,010 in 2019. The Village will repay the loan in semiannual installments of \$5,707.23 for thirty years.

The Village borrowed \$423,000 from the Columbiana County Port Authority in 2020. The notes will be paid in quarterly payments for five years.

The Village borrowed \$189,202 from the Ohio Public Works Commission (OPWC) interest free. The Village will pay \$31,534 for 6 years. The project is for Waterline improvements from Walnut to Chestnut Street.

All other debt obligations are collateralized by the Village’s taxing authority and are anticipations of collections of current revenue in accordance with Ohio Revised Code Section 133.10(B).

Village of Leetonia
Columbiana 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:	OWDA Water Line	OPWC Grit Chamber	OWDA Water Meter	Port Authority Paving	OPWC Waterline
2024	\$ 19,021	\$ 2,203	\$ 11,414	\$ 88,845	\$ 31,534
2025	19,021	2,203	11,414	89,100	31,534
2026	19,021	2,203	11,414	-	31,534
2027	19,021	2,203	11,414	-	31,534
2028	19,021	2,203	11,414	-	15,765
2029-2033	95,103	11,013	57,072	-	-
2034-2038	85,589	11,013	57,072	-	-
2039-2043	-	11,013	57,072	-	-
2044-2048	-	6,604	57,072	-	-
2049-2053	-	-	5,711	-	-
Total	<u>\$ 275,797</u>	<u>\$ 50,658</u>	<u>\$ 291,069</u>	<u>\$ 177,945</u>	<u>\$ 141,901</u>

Note 10 – Contingent Liabilities

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

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 matters will not materially adversely affect the Village's financial condition.

Note 11 – Fund Balances

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

Fund Balances	General	Special Revenue	Permanent	Total
Outstanding Encumbrances	\$5,049	\$2,785	\$ -	\$ 7,834
Nonspendable:				
Unclaimed Monies	4,216	-	-	4,216
Corpus	-	-	60,121	60,121
Total	<u>\$9,265</u>	<u>\$2,785</u>	<u>\$ 60,121</u>	<u>\$72,171</u>

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Fund Balances (continued)

The fund balance of special revenue funds is either restricted or committed. The fund balance capital projects funds is restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, capital projects and permanent funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

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

Note 13 – Prior Period Adjustments

The fund balance in the general fund increased by \$550 and \$4,366 due to voided checks and stale dated checks, respectively. The fund balance in the permanent fund decreased by \$100 due to overstated interest in the prior year.

Village of Leetonia
Columbiana 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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
Cash Receipts:					
Property and Other Local Taxes	\$ 64,577	\$ 111,683	\$ -	\$ -	\$ 176,260
Municipal Income Tax	942,684	-	-	-	942,684
Intergovernmental	62,249	360,204	-	-	422,453
Charges for Services	34,863	166,320	-	21	201,204
Fines, Licenses and Permits	25,103	17	-	-	25,120
Earnings on Investments	8,418	176	-	42	8,636
Miscellaneous	18,203	28,044	-	-	46,247
<i>Total Cash Receipts</i>	1,156,097	666,444	-	63	1,822,604
Cash Disbursements:					
Current:					
Security of Persons and Property	420,147	303,869	-	-	724,016
Public Health Services	7,026	65,340	-	-	72,366
Leisure Time Activities	24,807	2,845	-	-	27,652
Community Environment	12,306	-	-	-	12,306
Transportation	-	509,973	-	-	509,973
General Government	307,851	1,191	-	-	309,042
Capital Outlay	78,779	22,088	-	-	100,867
Debt Service:					
Principal Retirement	-	84,000	-	-	84,000
Interest and Fiscal Charges	-	5,791	-	-	5,791
<i>Total Cash Disbursements</i>	850,916	995,097	-	-	1,846,013
<i>Excess of Receipts Over/(Under) Disbursements</i>	305,181	(328,653)	-	63	(23,409)
Other Financing Receipts/(Disbursements):					
Sale of Capital Assets	-	248	-	-	248
Transfers In	-	238,500	-	-	238,500
Transfers Out	(238,500)	-	-	-	(238,500)
Other Financing Sources	3,515	-	-	-	3,515
<i>Total Other Financing Receipts/(Disbursements)</i>	(234,985)	238,748	-	-	3,763
Special Item	500	-	-	-	500
Extraordinary Item	-	2,500	-	-	2,500
<i>Net Change in Fund Cash Balances</i>	70,696	(87,405)	-	63	(16,646)
<i>Fund Cash Balances, January 1</i>	437,433	1,205,790	8,723	61,226	1,713,172
<i>Fund Cash Balances, December 31</i>	<u>\$ 508,129</u>	<u>\$ 1,118,385</u>	<u>\$ 8,723</u>	<u>\$ 61,289</u>	<u>\$ 1,696,526</u>

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

Village of Leetonia
Columbiana County
Combined Statement of Receipts, Disbursements, and Changes in
Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2022

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 1,116,962
<i>Total Operating Cash Receipts</i>	1,116,962
Operating Cash Disbursements:	
Personal Services	290,192
Fringe Benefits	44,773
Contractual Services	441,263
Supplies and Materials	130,228
Other	10,812
<i>Total Operating Cash Disbursements</i>	917,268
<i>Excess of Receipts Over/(Under) Disbursements</i>	199,694
Non-Operating Receipts (Disbursements)	
Loan Proceeds	189,203
Sale of Fixed Assets	43
Miscellaneous Receipts	1,463
Capital Outlay	(208,672)
Principal Retirement	(55,114)
Interest and Other Fiscal Charges	(8,524)
<i>Total Other Financing Receipts/(Disbursements)</i>	(81,601)
<i>Net Change in Fund Cash Balances</i>	118,093
<i>Fund Cash Balances, January 1</i>	393,939
<i>Fund Cash Balances, December 31</i>	\$ 512,032

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

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Leetonia (the Village), Columbiana County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, police service, fire and EMS services.

Public Entity Risk Pools

The Village participates in Public Entity Pool of Ohio. Note 6 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 combined 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.

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:

General Improvement Fund – This fund accounts for the local share of improvement projects.

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent fund:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Village's cemetery.

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 This fund receives charges for services from residents to cover water service costs.

Sewer Fund This fund receives charges for services from residents to cover sewer service costs.

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 cash as of January 1. The County Budget Commission must approve estimated resources.

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

A summary of 2022 budgetary activity appears in Note 3.

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

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.

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

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

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

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

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

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

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

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	\$ 915,500	\$ 1,160,112	\$ 244,612
Special Revenue	672,752	907,692	234,940
Enterprise	1,139,202	1,307,671	168,469
Permanent	-	63	63

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,150,218	\$ 1,094,610	\$ 55,608
Special Revenue	1,245,066	997,385	247,681
Permanent	-	-	-
Enterprise	1,459,999	1,193,047	266,952

Note 4 – Deposits and Investments

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

	2022
Demand deposits	\$1,057,302
Certificates of deposit	71,400
Other time deposits (savings and NOW accounts)	1,079,856
Total deposits	\$2,208,558

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 has \$195 in unremitted employee payroll withholdings.

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (continued)

Deposits

Deposits are insured by the Federal Deposit 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.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees 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. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

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

Income Taxes

The Village levies a municipal income tax of 1.5% 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

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 policy. The Pool covers the following risks:

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

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 - Risk Management (continued)

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

Workers' Compensation

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% 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.

Ohio Police and Fire Retirement System

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

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

Social Security

Some Village 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 Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2022. OP&F contributed 0.5% to fund these benefits.

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

Note 9 – Debt

Debt Outstanding at December 31, 2022 was as follows:

	Principal	Interest Rate
OPWC Grit Chamber	\$ 52,861	0.00%
OWDA Salem Leetonia Waterline Project	272,476	1.00%
OWDA Water Meters	264,463	1.02%
Columbiana County Port Authority Paving	237,000	2.00%
OPWC Waterline Project	173,435	0.00%
Total	\$ 1,000,235	

The Village has agreed to set water rates sufficient to cover the Ohio Water Development Authority Salem-Leetonia Waterline Project Note debt service requirements.

The Ohio Public Works Commission (OPWC) loan relates to the Grit Chamber. The OPWC approved a loan of \$66,078 for this project. The Village will repay the loan in semiannual installments of \$1,101.27 for thirty years.

The Village has agreed to set water rates sufficient to cover the Ohio Water Development Authority Water Meter Note debt service requirements. The OWDA approved a loan of \$294,010 in 2019. The Village will repay the loan in semiannual installments of \$5,707.23 for thirty years.

The Village borrowed \$423,000 from the Columbiana County Port Authority in 2020. The notes will be paid in quarterly payments for five years.

The Village borrowed \$189,202 from the Ohio Public Works Commission (OPWC) interest free. The Village will pay \$31,534 for 6 years with the 1st payment being made in 2022. The project is for Waterline improvements from Walnut to Chestnut Street.

All other debt obligations are collateralized by the Village’s taxing authority and are anticipations of collections of current revenue in accordance with Ohio Revised Code Section 133.10(B).

Village of Leetonia
Columbiana 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:	OWDA Water Line	OPWC Grit Chamber	OWDA Water Meter	Port Authority Paving	OPWC Waterline
2023	\$ 19,021	\$ 2,203	\$ 11,414	\$ 66,240	\$ 31,534
2024	19,021	2,203	11,414	88,845	31,534
2025	19,021	2,203	11,414	89,100	31,534
2026	19,021	2,203	11,414	-	31,534
2027	19,021	2,203	11,414	-	31,534
2028-2032	95,103	11,013	57,072	-	15,765
2033-2037	95,103	11,013	57,072	-	-
2038-2042	9,507	11,013	57,072	-	-
2043-2047	-	8,807	57,072	-	-
2048-2052	-	-	17,125	-	-
Total	<u>\$ 294,818</u>	<u>\$ 52,861</u>	<u>\$ 302,483</u>	<u>\$ 244,185</u>	<u>\$ 173,435</u>

Note 10 – Contingent Liabilities

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

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 matters will not materially adversely affect the Village's financial condition.

Note 11 – Fund Balances

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

Fund Balances	General	Special Revenue	Permanent	Total
Outstanding Encumbrances	\$ 5,194	\$ 2,288	\$ -	\$ 7,482
Nonspendable Corpus	-	-	60,121	60,121
Total	<u>\$ 5,194</u>	<u>\$ 2,288</u>	<u>\$ 60,121</u>	<u>\$ 67,603</u>

Village of Leetonia
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Fund Balances (continued)

The fund balance of special revenue funds is either restricted or committed. The fund balance capital projects funds is restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, capital projects and permanent funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. 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 Leetonia
Columbiana County
300 East Main Street
Leetonia, OH 44431

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, 2023 and 2022 and the related notes to the financial statements of the Village of Leetonia, Columbiana County, (the Village) and have issued our report thereon dated June 10, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

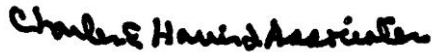
Report on Compliance and Other Matters

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*.

However, we noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 10, 2024.

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.

June 10, 2024

Village of Leetonia
Columbiana County
Schedule of Prior Audit Findings
For the Years Ended December 31, 2023 and 2022
Prepared by Management

Finding Number	Finding Summary	Status	Additional Information
2021-001	Expenditures in Excess of Appropriations	Corrected	
2021-002	Certification of Resources to County Auditor	Corrected	
2021-003	Appropriations Exceeding Certified Resources	Partially Corrected	
2021-004	Council Approved Appropriations and Certificated not Matching System	Corrected	
2021-005	Errors and Omissions in Financial Report	Partially Corrected	

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF LEETONIA

COLUMBIANA 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 7/9/2024

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