



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF NEW WATERFORD
COLUMBIANA COUNTY

DOCUMENT CONTENTS

TITLE

SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023

REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2022

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OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF NEW WATERFORD
COLUMBIANA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types For the Fiscal Year Ended December 31, 2023	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type For the Fiscal Year Ended December 31, 2023	6
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) - Fiduciary Fund Type For the Fiscal Year Ended December 31, 2023	7
Notes to the Financial Statements For the Fiscal Year Ended December 31, 2023	8
Schedule of Expenditures of Federal Awards	19
Notes to the Schedule of Expenditures of Federal Awards	20
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	21
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	23
Schedule of Findings.....	27
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	35
Corrective Action Plan	37

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of New Waterford
Columbiana County
PO Box 287
New Waterford, Ohio 44445

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 New Waterford, Columbiana County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2023, 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, or the changes in financial position or, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code 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 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measure may impact subsequent periods of the Village. We did not modify our opinion 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 *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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the Village's financial statements.

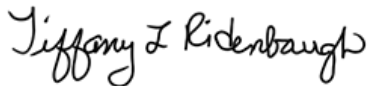
The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule is the responsibility of management and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

June 23, 2025

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

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$85,290	\$68,823			\$154,113
Municipal Income Tax	234,354				234,354
Intergovernmental	48,245	2,107,621			2,155,866
Charges for Services		102,000			102,000
Fines, Licenses and Permits	22,081				22,081
Earnings on Investments	27,451	3,083		\$4,513	35,047
Miscellaneous	36,583	417,987			454,570
<i>Total Cash Receipts</i>	<u>454,004</u>	<u>2,699,514</u>		<u>4,513</u>	<u>3,158,031</u>
Cash Disbursements					
Current:					
Security of Persons and Property	191,284	398,384			589,668
Public Health Services		59,736			59,736
Leisure Time Activities	95,343	36,190		4,898	136,431
Transportation		148,049			148,049
General Government	102,599				102,599
Capital Outlay		1,988,941	\$33,987		2,022,928
<i>Total Cash Disbursements</i>	<u>389,226</u>	<u>2,631,300</u>	<u>33,987</u>	<u>4,898</u>	<u>3,059,411</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>64,778</u>	<u>68,214</u>	<u>(33,987)</u>	<u>(385)</u>	<u>98,620</u>
Other Financing Receipts (Disbursements)					
Transfers In			35,198		35,198
Transfers Out	(35,198)				(35,198)
Advances In	20,000				20,000
Advances Out	(30,000)				(30,000)
Other Financing Sources	14,269				14,269
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(30,929)</u>		<u>35,198</u>		<u>4,269</u>
<i>Net Change in Fund Cash Balances</i>	<u>33,849</u>	<u>68,214</u>	<u>1,211</u>	<u>(385)</u>	<u>102,889</u>
<i>Fund Cash Balances, January 1</i>	<u>133,000</u>	<u>247,348</u>	<u>1,170</u>	<u>100,709</u>	<u>482,227</u>
<i>Fund Cash Balances, December 31</i>	<u>\$166,849</u>	<u>\$315,562</u>	<u>\$2,381</u>	<u>\$100,324</u>	<u>\$585,116</u>

See accompanying notes to the basic financial statements

Village of New Waterford
Columbiana County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2023

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$1,585,097
Fines, Licenses and Permits	
<i>Total Operating Cash Receipts</i>	<u>1,585,097</u>
Operating Cash Disbursements	
Personal Services	431,143
Employee Fringe Benefits	66,404
Other	385,550
<i>Total Operating Cash Disbursements</i>	<u>883,097</u>
<i>Operating Income (Loss)</i>	<u>702,000</u>
Non-Operating Receipts (Disbursements)	
Other Debt Proceeds	
Intergovernmental Receipts	477,361
Earnings on Investments (proprietary funds only)	2,035
Capital Outlay	(441,879)
Principal Retirement	(93,923)
Interest and Other Fiscal Charges	(23)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(56,429)</u>
<i>Income (Loss) before Transfers</i>	645,571
Transfers In	107,946
Transfers Out	(107,946)
Advances In	30,000
Advances Out	(20,000)
<i>Net Change in Fund Cash Balances</i>	655,571
<i>Fund Cash Balances, January 1</i>	<u>135,889</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$791,460</u></u>

See accompanying notes to the basic financial statements

Village of New Waterford
Columbiana County, Ohio
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2023

	Fiduciary Fund Type
	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$6,118
<i>Total Additions</i>	6,118
Deductions	
Distributions to Other Governments	5,979
<i>Total Deductions</i>	5,979
<i>Net Change in Fund Balances</i>	139
<i>Fund Cash Balances, January 1</i>	6,788
<i>Fund Cash Balances, December 31</i>	\$6,927
<i>See accompanying notes to the basic financial statements</i>	

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

Note 1 – Reporting Entity

The Village of New Waterford (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, road maintenance, police services, emergency medical services, and fire protection services. The Village also provides fire protection services to the Townships of Unity and Fairfield.

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 and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

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

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

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

American Rescue Plan Fund The American Rescue Plan fund accounts for and reports restricted federal monies used to assist local governments with the coronavirus pandemic pursuant to the American Rescue Plan Act.

Fire Operating Fund The fire protection operating fund accounts for and reports charges for service revenue in order 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:

Capital Projects Fund This fund receives 15% local income tax monies to finance capital projects within the Village.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal (\$100,000), 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:

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

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

Village Park Fund The village park fund accounts for and reports interest earned on the nonexpendable corpus (\$100,000) from a trust agreement restricted for the general maintenance and upkeep of the Village's park.

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

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

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

Ambulance Fund The fund receives charges for services from residents and non-residents to cover ambulance service costs.

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. Village has the following Custodial Funds:

Unclaimed Monies Fund The Village's custodial Unclaimed Monies Fund account for and report deposits or checks that have been unclaimed. These funds are then held by the Village for up to five years until their rightful owners claim them.

Mayor's Court Fund The Village's custodial Mayor's Court Fund account for and report Mayor's Court traffic cases, violations of Village ordinances and other misdemeanors.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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 Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

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

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

Budgetary Process

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

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

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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 or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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

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

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund 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.

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.

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$399,979	\$469,088	\$69,109
Special Revenue	293,895	2,699,514	2,405,619
Capital Projects	32,000	35,198	3,198
Enterprise	2,568,000	2,172,439	(395,561)
Permanent	4,000	4,513	513
Total	<u>\$3,297,874</u>	<u>\$5,380,752</u>	<u>\$2,082,878</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$556,567	\$424,424	\$132,143
Special Revenue	802,091	2,631,300	(1,829,209)
Capital Projects	34,002	33,987	15
Enterprise	4,052,829	1,526,868	2,525,961
Permanent	4,898	4,898	0
Total	<u>\$5,450,387</u>	<u>\$4,621,477</u>	<u>\$828,910</u>

Expenditures exceeded appropriations in the Special Revenue Fund Type due to audit adjustments and is not a violation of Ohio Rev. Code § 5705.41(B).

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 and investment accounts are as follows:

	2023
<i>Cash Management Pool:</i>	
Demand deposits	\$31,458
STAR Ohio	1,352,045
Total carrying amount of deposits and investments held in the Pool (ties to FS)	<u>1,383,503</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings.

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

Note 4 – Deposits and Investments *(continued)*

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation 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.

Investments

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

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Income Taxes

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

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

Note 6 – Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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

Note 6 – Risk Management *(continued)*

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 health care and survivor and disability benefits.

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

Ohio Police and Fire Retirement System

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 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2023.

Social Security

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

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

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2023. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2023. OP&F contributes 0.5 percent to fund these benefits.

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

Note 8 – Post Employment Benefits *(continued)*

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

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan #7845	\$712,593	0%
Ohio Water Development Authority Loan #8426	\$404,188	0%
Ohio Water Development Authority Loan #8978	\$341,942	0%
Ohio Water Development Authority Loan #8982	\$674,424	0%
Ohio Water Development Authority Loan #9508	\$351,986	0%
Ohio Water Development Authority Loan #9993	\$451,575	0%
Total	<u><u>\$2,936,708</u></u>	

During 2017, the Village entered into a loan agreement loan #7845 in the amount of \$899,994 with Ohio Water Development Authority for Phase 1 of the Water System Upgrade Construction. The loan has a term of thirty years starting as of July 1, 2019. During 2023, the Village paid a total of \$28,504 in loan payments with the final payment is scheduled on December 28, 2048. Payment will be made from the Water System Upgrade Enterprise Fund.

During 2017, the Village entered into a loan agreement loan #7862 in the amount of \$30,418 with Ohio Water Development Authority for a Sewer Plant Screen Upgrade. The loan has a term of five years. During 2023, the Village repaid this loan with a final payment of \$3,080.

During 2019, the Village entered into a loan agreement loan #8426 in the amount of \$492,967 with Ohio Water Development Authority for Phase 2 Water Improvements Construction. The loan has a term of thirty years beginning on July 1, 2021. During 2023, the Village paid \$14,970 in loan payments. Payment will be made from the Water System Upgrade Enterprise Fund.

During 2019, the Village entered into a loan agreement loan #8978 in the amount of \$621,413 with Ohio Water Development Authority for Phase 3A of the Water System Upgrade Construction. The loan has a term of thirty years with first payment to be made by July 1, 2022. During 2023, the Village paid \$12,212 in loan payments. Payment will be made from the Water System Upgrade Enterprise Fund.

During 2020, the Village entered into a loan agreement loan #8982 in the amount of \$856,491 with Ohio Water Development Authority for the Crestview School Waterline Extension Construction. The loan has a term of thirty years beginning January 1, 2022. During 2023, the Village paid \$24,525 in loan payments. Payments will be made from the Water System Upgrade Enterprise Fund.

During 2021, the Village entered into a loan agreement loan #9355 in the amount of \$378,077 with Ohio Water Development Authority for the design of Phase 3B of the Sanitary Sewer Replacement Phase 1. Loan #9980 proceeds were rolled into this loan of \$127,197. Payment will be made from the Water System Upgrade Enterprise Fund. As of December 31, 2023, there is no outstanding loan balance since this loan has not been finalized.

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

Note 9 – Debt *(continued)*

During 2021, the Village entered into a loan agreement loan #9508 in the amount of \$368,798 with Ohio Water Development Authority for the construction of Phase 3B Water System Improvements. The loan has a term of thirty years with the first payment due July 1, 2023 and the final payment due on December 28, 2053. Principal is due every 6 months in the amount of \$6,069. Payment will be made from the Water System Upgrade Enterprise Fund.

During 2022, the Village entered into a loan agreement loan #9993 in the amount of \$451,575 with the Ohio Water Development Authority for Phase II sewer line upgrade design. The loan has a term of five years beginning January 1, 2024. Payment will be made from the Sewer System Upgrade Enterprise Fund. The loan has not been finalized and therefore the repayment schedule is not included in the amortization schedule.

Amortization

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

Year Ending December 31:	#7845	#8426	#8978
2023	\$28,504	\$14,970	\$12,212
2024	28,504	14,970	12,212
2025	28,504	14,970	12,212
2026	28,504	14,970	12,212
2027	28,504	14,970	12,212
2028-2049	570,073	329,338	280,882
Total	<u>\$712,593</u>	<u>\$404,188</u>	<u>\$341,942</u>

Year Ending December 31:	#8982	#9508
2024	\$24,525	\$12,137
2025	24,525	12,137
2026	24,525	12,137
2027	24,525	12,137
2028	24,525	12,137
2029-2053	551,799	291,301
Total	<u>\$674,424</u>	<u>\$351,986</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.

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

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:

<u>Fund Balances</u>	<u>Custodial</u>	<u>Permanent</u>	<u>Total</u>
Nonspendable:			
Unclaimed Monies	\$2,693		\$2,693
Corpus		100,000	100,000
<i>Total</i>	<u>\$2,693</u>	<u>\$100,000</u>	<u>\$102,693</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of Capital Projects fund are restricted committed or assigned. 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 would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – Construction and Contractual Commitments

The Village started the engineering for a \$3,500,000 sewer line upgrade project in 2022. Construction started in 2023 and expected to be completed by August of 2024.

This project was designed as the Village had a lot of inflow of spring water and storm water running into the sewer system costing the Village additional funds to treat clean water. The outcome of this project is expected to cut the cost of chemical treatment by 50% after the project is completed.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in April, 2023. During 2023, 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 emergency funding, either federal or state, cannot be estimated

Note 14 – Subsequent Events

During 2024, the Village entered into a loan agreement #10837 in the amount of \$50,651 with the Ohio Water Development Authority for Water Tower Improvements. This loan has a five-year term beginning on July 1, 2025 and last payment is due January 1, 2030.

During 2024, the Village hired Jeffrey D. Heintz and Manchester, Newman & Bennett, a Legal Professional Association, as Bond Council for the issuance of \$450,000 general obligation bond financing the acquisition by the Village of certain real estate in the Village and declaring an emergency.

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**VILLAGE OF NEW WATERFORD
COLUMBIANA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Office of Budget and Management</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 59,736
<i>Passed Through Ohio Department of Development</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,988,941
Total U.S. Department of Treasury			\$ 2,048,677
Total Expenditures of Federal Awards			\$ 2,048,677

The accompanying notes are an integral part of this schedule.

**VILLAGE OF NEW WATERFORD
COLUMBIANA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Village of New Waterford (the Village) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position or changes in net position of the Village.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Village has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

Village of New Waterford
Columbiana County
PO Box 287
New Waterford, Ohio 44445

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Village of New Waterford, Columbiana County, Ohio (the Village) as of and for the year ended December 31, 2023, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2025, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures may 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 purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

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. We consider the deficiencies described in the accompanying schedule of findings as items 2023-001, 2023-002, and 2023-004 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings as item 2023-003 to be a significant deficiency.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2023-001 and 2023-003.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying schedule of findings and corrective action plan. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



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

June 23, 2025



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Village of New Waterford
Columbiana County
PO Box 287
New Waterford, Ohio 44445

To the Village Council:

Report on Compliance for The Major Federal Program

Qualified Opinion

We have audited the Village of New Waterford's, Columbiana County, (the Village) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Village of New Waterford's major federal program for the year ended December 31, 2023. The Village of New Waterford's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

Qualified Opinion on Coronavirus State and Local Fiscal Recovery Funds

In our opinion, except for the noncompliance described in the *Basis for Qualified* section of our report, the Village of New Waterford complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on *Coronavirus State and Local Fiscal Recovery Funds* for the year ended December 31, 2023.

Basis for Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with 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 qualified and unmodified opinions on compliance for the major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Coronavirus State and Local Fiscal Recovery Funds

As described in findings 2023-005 through 2023-007 in the accompanying schedule of findings, the Village did not comply with requirements regarding Reporting, Allowable Costs, and Procurement applicable to its AL #21.027 Coronavirus State and Local Fiscal Recovery Funds major federal program.

Compliance with such requirements is necessary, in our opinion, for the Village to comply with requirements applicable to that program.

As described in findings 2023-005 through 2023-007 in the accompanying schedule of findings, the Village did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2023-005	21.027	Coronavirus State and Local Fiscal Recovery Funds	Reporting
2023-006	21.027	Coronavirus State and Local Fiscal Recovery Funds	Allowable Costs, Procurement and Suspension and Debarment
2023-007	21.027	Coronavirus State and Local Fiscal Recovery Funds	Reporting

Compliance with such requirements is necessary, in our opinion, for the Village to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

The Village's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and corrective action plan. The Village's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2023-005 through 2023-007 to be material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and corrective action plan). The Village's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



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

June 23, 2025

**VILLAGE OF NEW WATERFORD
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list): Coronavirus State and Local Fiscal Recovery Funds	AL #21.027
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2023-001

Noncompliance and Material Weakness – Mayor's Court Disbursements

Ohio Rev. Code § 733.40 states, in part, that at the first regular meeting of the legislative authority each month, the mayor shall submit a full statement of all money received, from whom and for what purposes received, and when paid into the treasury. Except as otherwise provided by section 307.515 or 4511.19 of the Revised Code, all fines, and forfeitures collected by the mayor in state cases, together with all fees and expenses collected that have been advanced out of the county treasury, shall be paid by the mayor to the county treasury on the first business day of each month. Except as otherwise provided by section 307.515 or 4511.19 of the Revised Code, the mayor shall pay all court costs and fees collected by the mayor in state cases into the municipal treasury on the first business day of each month.

FINDING NUMBER 2023-001 (Continued)

Testing over 2023 Mayor's Court monthly disbursements identified the following late remittances:

Court Subdivision	Reporting Period	Submission Date	Due Date	Days late
County	January	May 10, 2023	February 2, 2023	Ninety-Seven
County	February	March 8, 2023	March 1, 2023	Seven
County	April	May 10, 2023	May 1, 2023	Nine
County	May	June 6, 2023	June 1, 2023	Five
County	August	November 8, 2023	September 1, 2023	Sixty-Eight
County	September	November 8, 2023	October 2, 2023	Thirty-Seven
County	October	November 8, 2023	November 2, 2023	Six

The Village should distribute all monies collected on behalf of Mayor's Court to the respective subdivisions and ensure this is completed timely.

Official's Response: See the Corrective Action Plan

FINDING NUMBER 2023-002

Material Weakness – Budgetary Amounts Not Recorded In Accounting System

Sound accounting practices require accurately posting estimated receipts to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters.

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The following variances were identified in 2023:

Fund	Estimated Receipts per Certificate	Estimated Receipts per Accounting System	Variance
General Fund	\$ 399,979	\$ 468,232	\$ 68,253
Capital Projects	32,000	35,198	3,198
Water Operating	391,000	423,029	32,029

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The approved Certificate of Estimated Resources were not posted to the accounting system.

Failure to accurately post the estimated resources to the ledgers could result in overspending and negative cash balances.

To effectively control the budgetary cycle and to maintain accountability over receipts, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and approved by the Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources have been properly posted to the ledgers.

Official's Response: See the Corrective Action Plan

FINDING NUMBER 2023-003

Noncompliance and Significant Deficiency – Appropriations Exceeding Estimated Resources

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as “estimated resources” because it includes unencumbered fund balances.

At December 31, 2023 the Village's appropriations exceeded the amount certified as available by the budget commission in the following funds:

Fund	Total Year-End Estimated Resources	Total Year-End Appropriations	Variance
General Fund	\$ 532,979	\$556,567	\$23,588
Capital Projects	33,170	34,002	832
Water Operating	408,145	430,797	22,652

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Village's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by Council to reduce the appropriations.

Official's Response: See the Corrective Action Plan

FINDING NUMBER 2023-004

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Fiscal Officer did not abide by the adopted chart of accounts in coding and classifying various transactions. This resulted in adjustments and reclassifications to the filed financial statements. The Village Fiscal Officer and management have agreed to and posted the adjustments to the Village's accounting records. The corrected amounts are reflected in the accompanying financial statements.

FINDING NUMBER 2023-004 (Continued)

2023 Adjustments:

Fund Adjusted From:	Fund Adjusted To:	Amount	Explanation:
Sewer Fund	Special Revenue Fund -ARP Act	\$1,988,941	To adjust ARPA intergovernmental receipts that were improperly posted to the Sewer Fund
Sewer Fund	Special Revenue Fund -ARP Act-Capital Outlay	1,988,941	To adjust Capital Outlay expenditures from the Sewer fund to the ARP Act Capital Outlay to follow the revenue.

2023 Reclassifications:

Fund	Reclassified To:	Amount	Reclassified From:
Cemetery	Miscellaneous	\$36,000	Other Financing Sources
Fire Operating	Miscellaneous	352,913	Other Financing Sources
Mayor's Court	Distributions to Other Governments	5,158	Other Distributions
General	Fees, Licenses and Permits	5,158	Transfers In
Special Revenue	Public Health Services	59,736	Other Financing Uses
General	Miscellaneous	36,583	Charges for Services

Another misposting was identified; however it was not material and the Village decided not to make the adjustment.

Errors identified in the filed Financial Statement Notes include:

- The most current Regulatory Footnote Shell was not used, since the Village used a shell from several years ago;
- Within the Summary of Significant Accounting Policies note, the Deposits and Investments paragraph was not presented, all Special Revenue funds were listed and the Custodial funds were not included;
- The Deposits and Investments note did not include accurate figures and did not agree to the financial statements. In addition, Ohio Pooled Collateral and Investments information were not presented;
- The Budgetary and Debt notes did not include accurate figures;
- The Defined Benefits Pension Plan and Postemployment Benefits notes were included, however, did not include the most current information;
- The Risk Management note was not complete;
- The Contingent Liabilities note was not included;
- The Fund Balances note was not included; and
- The COVID-19 note was not included.

FINDING NUMBER 2023-004 (Continued)

The Village did not have procedures in place to record transactions properly or procedures in place to include updated disclosures.

Failure to consistently follow a uniform chart of accounts increases the possibility the Village will not be able to identify, assemble, classify, record, and report its transactions correctly or to document compliance with finance-related legal and contractual requirements.

The Fiscal Officer should maintain the accounting system to enable the Village to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the UAN chart of accounts to help ensure that financial activity of the Village is accurately recorded and reported. In addition, the Village should review the financial statements and notes prior to report submission and ensure the most current version of the notes are used, which can be located on the Auditor of State's website under Reference Materials.

Official's Response: See the Corrective Action Plan

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Federal Programs – Schedule of Federal Awards Reporting

Finding Number:	2023-005
Assistance Listing Number and Title:	AL # 21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Award Identification Number / Year:	2023
Federal Agency:	United States Department of Treasury
Compliance Requirement:	Reporting
Pass-Through Entity:	Ohio Department of Development
Repeat Finding from Prior Audit?	No

Noncompliance and Material Weakness

2 CFR Subpart F § 200.510(b) requires the auditee prepare a Schedule of Expenditures of Federal Awards (the Schedule) for the period covered by the Village's financial statements which must include the total federal awards expended as determined in accordance with § 200.502.

At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the AL number or other identifying number when the AL information is not available.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee has elected to use the 10 percent de minimis cost rate as covered in § 200.414 Indirect (F&A) costs.

FINDING NUMBER 2023-005 (Continued)

The Village was not aware federal monies were expended and therefore did not complete a Schedule of Expenditures of Federal Awards or Notes to the Schedule of Expenditures of Federal Awards. As a result, the Village did not properly notify the Auditor of State's office of the Village's Single Audit status for 2023. After several discussions with Village personnel, the Schedule of Expenditures of Federal Awards and Notes to the Schedule of Expenditures of Federal awards were completed.

Noncompliance with grant requirements as well as errors and omissions on the Schedule of Expenditures of Federal Awards could have an adverse effect on future grant awards by the awarding agencies in addition to an inaccurate assessment of major federal programs that would be subjected to audit.

Village management should review all grant and loan award documents in order to execute policies and procedures which help ensure compliance with grant and loan requirements, including Schedule reporting requirements. The Village should implement a system to track all federal expenditures and related information separately from other expenditures and report federal expenditures with proper support including, but not limited to, grant agreements, calculation of the expenditures, and any federal reporting requirements. This may help ensure the Village is in compliance with grant and loan requirements, the Schedule is complete and accurate, and major federal programs are accurately identified for audit.

Official's Response: See the Corrective Action Plan

Federal Programs – Uniform Guidance Written Policies

Finding Number:	2023-006
Assistance Listing Number and Title:	AL # 21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Award Identification Number / Year:	2023
Federal Agency:	United States Department of Treasury
Compliance Requirement:	Allowable Costs, Procurement and Suspension and Debarment
Pass-Through Entity:	Ohio Department of Development
Repeat Finding from Prior Audit?	No

Noncompliance and Material Weakness

Uniform Guidance requires written policies for the requirements outlined in 2 CFR 200.302(b)(7), 2 CFR 200.318(c)(1), 2 CFR 200.318(c)(2), 2 CFR 200.320(b)(2), and 2 CFR 200.319(d).

The Village does not have written policies in place for the requirements outlined in the Code of Federal Regulations sections referenced above.

Management and those charged with governance have not prioritized establishing written policies under the Uniform Guidance requirements.

Noncompliance can have many undesirable effects, such as material noncompliance or control deficiencies. Written policies aid in consistency and adherence to requirements strengthening internal control processes.

Official's Response: See the Corrective Action Plan

Federal Programs – Reporting

Finding Number:	2023-007
Assistance Listing Number and Title:	AL # 21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Award Identification Number / Year:	2023
Federal Agency:	United States Department of Treasury
Compliance Requirement:	Reporting
Pass-Through Entity:	Ohio Department of Development
Repeat Finding from Prior Audit?	No

Noncompliance and Material Weakness

2 CFR § 1000 gives regulatory effect to the United States Department of Treasury for 2 CFR § 200.328 and 200.329(c)(1) which states, in part, that unless otherwise approved by OMB, the Federal awarding agency must solicit only the OMB-approved governmentwide data elements for collection of financial information at time of publication the Federal Financial Report or such future, OMB-approved, governmentwide data elements available from the OMB-designated standards lead. This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly.

Additionally, program-specific reporting requirements under the State and Local Fiscal Recovery Fund Program (SLFRF) subaward grant agreement with the Ohio Department of Development requires the grantee to submit quarterly program reports and a final report.

Some of the key applicable elements to report quarterly are as follows:

1. Narrative summary of use of funds during the reporting period;
2. Narrative describing promoting equitable outcomes;
3. Narrative describing community engagement;
4. Labor Practices: Describe workforce practices on projects implemented;
5. Project Construction start date;
6. Project operations date; and
7. National Pollutant Discharge Elimination System Permit Number

The key elements required for the Final Report which was due 15 days after the end of the agreement:

1. Number of new households who have access to public water or centralized sewer system;
2. Number of public and private service lines replaced; and
3. Number of home sewage treatment systems replaced.

Testing over the Village's quarterly reporting requirements for the SLFRF program identified only one quarterly report being submitted on September 9, 2022 which was prior to any SLFRF funding expenditures being made. The SLFRF funding expenditures began on February 2, 2023 with no additional quarterly reports submitted. The Village was unable to provide support to show that the Final Reporting requirement was met. Failure to timely submit the required reports to the pass-through entity could result in material noncompliance and potential loss of future funding.

The Village should develop a Federal grant reporting internal control policy detailing the types and timing of reports and required supporting documentation and establish internal control procedures to help ensure all required reports are submitted timely.

Official's Response: See the Corrective Action Plan

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VILLAGE OF NEW WATERFORD
Columbiana County
P.O. Box 287
New Waterford, Ohio 44445-0287
Phone 330-457-2225 – Fax 330-347-9497
Mayor – M. Shane Patrone Administrator – Jason Gorby Fiscal Officer – David A. Slagle

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023

Finding Number	Finding Summary	Status	Additional Information
2021-001	Mayor's Court Disbursements-Noncompliance and Significant Deficiency	Not Corrected	Repeated as Finding Number 2023-001
2019-006	Cash Reconciliation and Process Errors-Material Weakness	Partially Corrected	Repeated in Management Letter
2015-001	Financial Reporting-Material Weakness	Not Corrected	Repeated as Finding Number 2023-004
2021-004	Budgetary Amounts Not Recorded in Accounting System	Not Corrected	Repeated as Finding Number 2023-002
2021-005	Park Festival Receipts/Lack of Supporting Documentation-Significant Deficiency	Partially Corrected	Repeated in Management Letter

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VILLAGE OF NEW WATERFORD
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P.O. Box 287
New Waterford, Ohio 44445-0287
Phone 330-457-2225 – Fax 330-347-9497
Mayor – M. Shane Patrone Administrator – Jason Gorby Fiscal Officer – David A. Slagle

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2023

Finding Number: 2023-001
Planned Corrective Action: See Below
Anticipated Completion Date: Previously Completed
Responsible Contact Person: Mayor M. Shane Patrone

Finding Number: 2023-002
Planned Corrective Action: See Below
Anticipated Completion Date: May 07, 2025
Responsible Contact Person: Dave Slagel

Finding Number: 2023-003
Planned Corrective Action: See Below
Anticipated Completion Date: Currently in progress
Responsible Contact Person: Dave Slagel

Finding Number: 2023-004
Planned Corrective Action: See Below
Anticipated Completion Date: June 1, 2025
Responsible Contact Person: Dave Slagel

Finding Number: 2023-005
Planned Corrective Action: See Below
Anticipated Completion Date: Previously Completed
Responsible Contact Person: Dave Slagel

Finding Number: 2023-006
Planned Corrective Action: See Below
Anticipated Completion Date: Currently in progress
Responsible Contact Person: Dave Slagel

Finding Number: 2023-007
Planned Corrective Action: See Below
Anticipated Completion Date: See Below
Responsible Contact Person: Dave Slagel

Finding Number: 2023-001
Planned Corrective Action:

I believe the auditors are misinformed as to how Reparations Rotary payments are handled by the courts and are requiring the information to be submitted in an unreasonable timeline. According to Ohio Administrative Code; Rule 113-1-06 | Reparations rotary reporting for courts. Courts are required to submit Reparation Rotary payments to the Treasurer of State **within 30 days from the end of the month**. The Mayors Court has always submitted payments well within this timeline in the past and did so in all except for 3 months in the previous 24-month audit period. The issue was when the Treasurer of State changed their online payment system and made it impossible to pay the fees after 5:00 pm and on weekends when first installed. This computer issue made it virtually impossible for payments to be made by the mayor. This was rectified after complaints from part-time Mayors as myself who hold down full time jobs and are unable to make the payments through the week prior to 5:00 pm. Since the issue was rectified, all payments are made well within the 30 days' timeframe. – Mayor M Shane Patrone

Auditor of State's Conclusion

The late payments we identified relate to payments to the County which are due the first business day of each month, not for payments owed to the state treasurer.

Finding Number: 2023-002
Planned Corrective Action:

A training was held on May 7th, 2025, by the Columbiana County auditor's Office to go over accounting practices and receive updated certification of funds from the county auditor for all Municipalities, Township, and other public entities to try and address this issue in the future. The Fiscal Officer attended this meeting and there is a better understanding of what information is required by the auditor to provide new certificates in the future. – Mayor M. Shane Patrone

Finding Number: 2023-003
Planned Corrective Action:

The village ended 2023 with available funds and did not receive an amended certificate prior to expending these funds at the time. To clarify, the funds were available, and no items went unpaid. This issue was also discussed at the Auditor's training on May 7, 2025 and a procedure list is being produced to address and hopefully prevent this issue in the future and keep the village in compliance with this issue in the future. – Mayor M. Shane Patrone

Finding Number: 2023-004
Planned Corrective Action:

The Fiscal Officer addressed and corrected the mis posting codes at the request of the auditor's. The village is expecting to use an updated Regulatory Footnote Shell going forward in an attempt to correct these issues. – Mayor M. Shane Patrone

Finding Number: 2023-005
Planned Corrective Action:

As stated in the finding (2023-005) the Village was unaware of the monies being Federal Monies as they were received from a State of Ohio distribution, and after a discussion with the auditors the Village prepared the required reports. The village, being a small municipality, does not receive federal funds routinely and I believe the Coronavirus funds will not be something the village anticipates receiving in the future. – Mayor M. Shane Patrone

Finding Number: 2023-006
Planned Corrective Action:

In regard to the village not having a written policy in place for the requirements outlined in the Code of Federal Regulations regarding the villages received Coronavirus funding, as previously stated the village does not routinely receive federal funds and was not aware at the time of having such a policy. The village is currently working with the village solicitor to rectify this issue. A new policy will be implemented to resolve this issue. – Mayor M. Shane Patrone

Finding Number: 2023-007
Planned Corrective Action:

The village is currently reviewing the Federal Requirement for reporting and how the village will be able to track and handle this reporting in the future. In regard to monthly reporting the village has a population of approximately 1500 residents and received approximately \$50,000 SLFRF funds. Well below the quarterly requirements and were only required to file yearly per the guidelines listed by the U.S. Department of Treasury's own reporting guidelines. See below chart.

Table 2: Reporting requirements by recipient type

Tier	Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
1	States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021 or 60 days after receiving funding if funding was received by October 15, with expenditures by category.	By January 31, 2022, and then the last day of the month after the end of each quarter thereafter	By August 31, 2021 or 60 days after receiving funding, and annually thereafter by July 31
2	Metropolitan cities and counties with a population below 250,000 residents that are allocated more than \$10 million in SLFRF funding, and NEUs that are allocated more than \$10 million in SLFRF funding	Note: NEUs were not required to submit an Interim Report	Note: NEUs were not required to submit a Project and Expenditure Report on January 31, 2022. The first reporting date for NEUs was April 30, 2022.	
3	Tribal Governments that are allocated more than \$30 million in SLFRF funding			
4	Tribal Governments that are allocated less than \$30 million in SLFRF funding		By April 30, 2022, and then annually thereafter	
5	Metropolitan cities and counties with a population below 250,000 residents that are allocated less than \$10 million in SLFRF funding, and NEUs that are allocated less than \$10 million in SLFRF funding			

Note: Based on the period of performance, reports will be collected through April 30, 2027. See the specific due dates listed in Sections B and C.

Please take note that the Village has reported each year since 2022 as required. A copy of the yearly reports are available if needed. – Mayor M. Shane Patrone

Auditor of State's Conclusion

Our office audited according to the signed grant agreement between the Village and the Ohio Department of Development. The agreement states program reports must be submitted on a quarterly basis. The Village was only able to provide us one report which was in 2022.



**VILLAGE OF NEW WATERFORD
COLUMBIANA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types For the Fiscal Year Ended December 31, 2022	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type For the Fiscal Year Ended December 31, 2022	6
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) - Fiduciary Fund Type For the Fiscal Year Ended December 31, 2022	7
Notes to the Financial Statements For the Fiscal Year Ended December 31, 2022	8
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	19
Schedule of Findings.....	21
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	27

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
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INDEPENDENT AUDITOR'S REPORT

Village of New Waterford
Columbiana County
PO Box 287
New Waterford, Ohio 44445

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 New Waterford, Columbiana County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 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 and the fiduciary fund type combined total as of and for the year ended December 31, 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, 2022, or the changes in financial position or, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code 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 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measure may impact subsequent periods of the Village. We did not modify our opinion 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 *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.

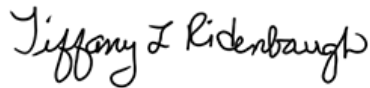
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, 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 23, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

June 23, 2025

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Village of New Waterford
Columbiana County, Ohio
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	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$79,469	\$67,897			\$147,366
Municipal Income Tax	208,084				208,084
Intergovernmental	47,679	215,893			263,572
Contributions, Gifts, & Donations	133,253				133,253
Charges for Services	0	102,001			102,001
Fines, Licenses and Permits	42,617				42,617
Earnings on Investments	6,460	1,246		\$2,301	10,007
Miscellaneous		2,476			2,476
<i>Total Cash Receipts</i>	<u>517,562</u>	<u>389,513</u>		<u>2,301</u>	<u>909,376</u>
Cash Disbursements					
Current:					
Security of Persons and Property	261,376	192,156			453,532
Public Health Services					0
Leisure Time Activities	121,928	42,784		21,678	186,390
Transportation		99,686			99,686
General Government	98,180				98,180
Capital Outlay			35,640		35,640
<i>Total Cash Disbursements</i>	<u>481,484</u>	<u>334,626</u>	<u>35,640</u>	<u>21,678</u>	<u>873,428</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>36,078</u>	<u>54,887</u>	<u>(35,640)</u>	<u>(19,377)</u>	<u>35,948</u>
Other Financing Receipts (Disbursements)					
Transfers In			31,170		31,170
Transfers Out	(31,170)				(31,170)
Advances In	89,000	10,000			99,000
Advances Out	(84,000)	(15,000)			(99,000)
Other Financing Sources	16,838	6,081			22,919
Other Financing Uses		(8,560)			(8,560)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(9,332)</u>	<u>(7,479)</u>	<u>31,170</u>		<u>14,359</u>
<i>Net Change in Fund Cash Balances</i>	<u>26,746</u>	<u>47,408</u>	<u>(4,470)</u>	<u>(19,377)</u>	<u>50,307</u>
<i>Fund Cash Balances, January 1</i>	<u>106,254</u>	<u>199,940</u>	<u>5,640</u>	<u>120,086</u>	<u>431,920</u>
<i>Fund Cash Balances, December 31</i>	<u>\$133,000</u>	<u>\$247,348</u>	<u>\$1,170</u>	<u>\$100,709</u>	<u>\$482,227</u>

See accompanying notes to the basic financial statements

Village of New Waterford
Columbiana County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2022

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$920,046
<i>Total Operating Cash Receipts</i>	<u>920,046</u>
Operating Cash Disbursements	
Personal Services	417,129
Employee Fringe Benefits	64,956
Other	417,819
<i>Total Operating Cash Disbursements</i>	<u>899,904</u>
<i>Operating Income (Loss)</i>	<u>20,142</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	897,808
Capital Outlay	(894,306)
Principal Retirement	(159,944)
Interest and Other Fiscal Charges	(564)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(157,006)</u>
<i>Income (Loss) before Transfers and Advances</i>	(136,864)
Transfers In	230,566
Transfers Out	(230,566)
Advances In	74,000
Advances Out	(74,000)
<i>Net Change in Fund Cash Balances</i>	(136,864)
<i>Fund Cash Balances, January 1</i>	<u>272,753</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$135,889</u></u>

See accompanying notes to the basic financial statements

Village of New Waterford
Columbiana County, Ohio
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2022

	Fiduciary Fund Type
	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$22,060
Deposits Received	4,095
<i>Total Additions</i>	<u>26,155</u>
Deductions	
Distributions to Other Governments	29,023
<i>Total Deductions</i>	<u>29,023</u>
<i>Net Change in Fund Balances</i>	(2,868)
<i>Fund Cash Balances, January 1</i>	<u>9,656</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$6,788</u></u>

See accompanying notes to the basic financial statements

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

Note 1 – Reporting Entity

The Village of New Waterford (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, road maintenance, police services, emergency medical services, and fire protection services. The Village also provides fire protection services to the Townships of Unity and Fairfield.

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 and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

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

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

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

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports 92.5% of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Fire Operating Fund The fire protection operating fund accounts for and reports charges for service revenue in order 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:

Capital Projects Fund This fund receives 15% local income tax monies to finance capital projects within the Village.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal (\$100,000), 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:

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

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

Village Park Fund The village park fund accounts for and reports interest earned on the nonexpendable corpus (\$100,000) from a trust agreement restricted for the general maintenance and upkeep of the Village's park.

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

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

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

Ambulance Fund The fund receives charges for services from residents and non-residents to cover ambulance service costs.

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. Village has the following Custodial Funds:

Unclaimed Monies Fund The Village's custodial Unclaimed Monies Fund account for and report deposits or checks that have been unclaimed. These funds are then held by the Village for up to five years until their rightful owners claim them.

Mayor's Court Fund The Village's custodial Mayor's Court Fund account for and report Mayor's Court traffic cases, violations of Village ordinances and other misdemeanors.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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 Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

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

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

Budgetary Process

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

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

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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 or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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

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

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund 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.

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.

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$525,935	\$534,400	\$8,465
Special Revenue	384,302	395,594	11,292
Capital Projects	31,170	31,170	0
Enterprise	2,122,420	2,048,420	(74,000)
Permanent	21,157	2,301	(18,856)
Total	<u>\$3,084,984</u>	<u>\$3,011,885</u>	<u>(\$73,099)</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$392,571	\$512,654	(\$120,083)
Special Revenue	321,794	343,186	(21,392)
Capital Projects	35,640	35,640	0
Enterprise	2,185,433	2,185,284	149
Permanent	63,727	21,678	42,049
Total	<u>\$2,999,165</u>	<u>\$3,098,442</u>	<u>(\$99,277)</u>

Expenditures exceeded appropriations in the General and Special Revenue Fund Types due to audit adjustments And is not a violation of Ohio Rev. Code § 5705.41(B).

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 and investment accounts are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$56,866
STAR Ohio	<u>568,038</u>
Total carrying amount of deposits and investments held in the Pool (ties to FS)	<u><u>624,904</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings.

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

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation 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 4 – Deposits and Investments *(continued)*

Investments

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

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Income Taxes

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

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

Note 6 – Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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

Note 6 – Risk Management *(continued)*

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 health care and survivor and disability benefits.

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

Ohio Police and Fire Retirement System

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 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2022.

Social Security

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

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

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

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

Note 8 – Postemployment Benefits *(continued)*

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

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan #7862	\$3,080	0%
Ohio Water Development Authority Loan #7845	\$741,097	0%
Ohio Water Development Authority Loan #8426	\$419,158	0%
Ohio Water Development Authority Loan #8978	\$354,154	0%
Ohio Water Development Authority Loan #8982	\$698,948	0%
Ohio Water Development Authority Loan #9508	\$364,123	0%
Ohio Water Development Authority Loan #9993	\$451,575	0%
Total	<u>\$3,032,135</u>	

During 2017, the Village entered into a loan agreement loan #7845 in the amount of \$899,994 with Ohio Water Development Authority for Phase 1 of the Water System Upgrade Construction. The loan has a term of thirty years starting as of July 1, 2019. During 2022, the Village paid a total of \$41,455 in loan payments with the final payment is scheduled on December 28, 2048. Payment will be made from the Water System Upgrade Enterprise Fund.

During 2017, the Village entered into a loan agreement loan #7862 in the amount of \$30,418 with Ohio Water Development Authority for a Sewer Plant Screen Upgrade. The loan has a term of five years. During 2022, the Village paid \$6,512 in loan payments with the final payment schedule on January 1, 2023. Payment will be made from the Sewer System Upgrade Enterprise Fund.

During 2019, the Village entered into a loan agreement loan #8426 in the amount of \$492,967 with Ohio Water Development Authority for Phase 2 Water Improvements Construction. The loan has a term of thirty years beginning on July 1, 2021. During 2022, the Village paid \$29,024 in loan payments. Payment will be made from the Water System Upgrade Enterprise Fund.

During 2019, the Village entered into a loan agreement loan #8978 in the amount of \$621,413 with Ohio Water Development Authority for Phase 3A of the Water System Upgrade Construction. The loan has a term of thirty years with first payment to be made by July 1, 2022. As of December 31, 2022, the Village has total drawn downs of \$69,904 for the current year. During 2022, the Village paid \$12,212 in loan payments. Payment will be made from the Water System Upgrade Enterprise Fund.

During 2020, the Village entered into a loan agreement loan #8982 in the amount of \$856,491 with Ohio Water Development Authority for the Crestview School Waterline Extension Construction. The loan has a term of thirty years beginning January 1, 2022. As of December 31, 2022, the Village has total drawn downs of \$309,519 for the current year. During 2022, the Village paid \$22,512 in loan payments. Payments will be made from the Water System Upgrade Enterprise Fund.

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

Note 9 – Debt *(continued)*

During 2021, the Village entered into a loan agreement loan #9355 in the amount of \$378,077 with Ohio Water Development Authority for the design of Phase 3B of the Sanitary Sewer Replacement Phase 1. Loan #9980 proceeds were rolled into this loan of \$127,197. Payment will be made from the Water System Upgrade Enterprise Fund. As of December 31, 2022, there is no outstanding loan balance since this loan has not been finalized.

During 2021, the Village entered into a loan agreement loan #9508 in the amount of \$368,798 with Ohio Water Development Authority for the construction of Phase 3B Water System Improvements. As of December 31, 2022, the Village has total drawn downs of \$340,217 for the current year. The loan has a term of thirty years with the first payment due July 1, 2023 and the final payment due on December 28, 2053. Principal is due every 6 months in the amount of \$6,069. Payment will be made from the Water System Upgrade Enterprise Fund.

During 2021, the Village entered into a loan agreement loan #9980 in the amount of \$127,197 with the Ohio Water Development Authority for Phase I sewer line upgrade design. This loan has been rolled into the construction loan for Phase 1 Sewer System Upgrade #9355.

During 2022, the Village entered into a loan agreement loan #9993 in the amount of \$451,575 with the Ohio Water Development Authority for Phase II sewer line upgrade design. The loan has a term of five years beginning January 1, 2024. Payment will be made from the Sewer System Upgrade Enterprise Fund. The loan has not been finalized and therefore the repayment schedule is not included in the amortization schedule.

Amortization

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

Year Ending December 31:	#7862	#7845	#8426	#8978
2023	\$3,080	\$28,504	\$14,970	\$12,212
2024		28,504	14,970	12,212
2025		28,504	14,970	12,212
2026		28,504	14,970	12,212
2027		28,504	14,970	12,212
2028-2049		598,577	344,308	293,094
Total	<u>\$3,080</u>	<u>\$741,097</u>	<u>\$419,158</u>	<u>\$354,154</u>

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

Note 9 – Debt *(continued)*

Year Ending December 31:	#8982	#9508
2023	\$24,525	\$12,137
2024	24,525	12,137
2025	24,525	12,137
2026	24,525	12,137
2027	24,525	12,137
2028-2053	576,323	303,438
Total	<u>\$698,948</u>	<u>\$364,123</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.

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	Custodial	Permanent	Total
Nonspendable:			\$0
Unclaimed Monies	\$2,693		2,693
Corpus		100,000	100,000
<i>Total</i>	<u>\$2,693</u>	<u>\$100,000</u>	<u>\$102,693</u>

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

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

Note 12 – Construction and Contractual Commitments

The Village started the engineering for a \$3,500,000 sewer line upgrade project in 2022. Construction started in 2023 and expected to be completed by August of 2024.

This project was designed as the Village had a lot of inflow of spring water and storm water running into the sewer system costing the Village additional funds to treat clean water. The outcome of this project is expected to cut the cost of chemical treatment by 50% after the project is completed.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency 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 emergency funding, either federal or state, cannot be estimated.

Note 14 – Subsequent Events

During 2024, the Village entered into a loan agreement #10837 in the amount of \$50,651 with the Ohio Water Development Authority for Water Tower Improvements. This loan has a five-year term beginning on July 1, 2025 and last payment is due January 1, 2030.

During 2024, the Village hired Jeffrey D. Heintz and Manchester, Newman & Bennett, a Legal Professional Association, as Bond Council for the issuance of \$450,000 general obligation bond financing the acquisition by the Village of certain real estate in the Village and declaring an emergency.

OHIO AUDITOR OF STATE KEITH FABER



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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 New Waterford
Columbiana County
PO Box 287
New Waterford, Ohio 44445

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Village of New Waterford, Columbiana County, Ohio (the Village) as of and for the year ended December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2025, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures may 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 purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

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. We consider the deficiencies described in the accompanying schedule of findings as items 2022-001 and 2022-003 through 2022-005 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings as item 2022-002 to be a significant deficiency.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item 2022-001.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying schedule of findings and corrective action plan. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



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

June 23, 2025

**VILLAGE OF NEW WATERFORD
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022**

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

FINDING NUMBER 2022-001

Noncompliance and Material Weakness – Mayor’s Court Disbursements

Ohio Rev. Code § 733.40 states, in part, that at the first regular meeting of the legislative authority each month, the mayor shall submit a full statement of all money received, from whom and for what purposes received, and when paid into the treasury. Except as otherwise provided by section 307.515 or 4511.19 of the Revised Code, all fines, and forfeitures collected by the mayor in state cases, together with all fees and expenses collected that have been advanced out of the county treasury, shall be paid by the mayor to the county treasury on the first business day of each month. Except as otherwise provided by section 307.515 or 4511.19 of the Revised Code, the mayor shall pay all court costs and fees collected by the mayor in state cases into the municipal treasury on the first business day of each month.

Testing over 2022 Mayor's Court monthly disbursements identified the following late remittances:

Court Subdivision	Reporting Period	Submission Date	Due Date	Days late
County	March	April 6, 2022	April 14, 2022	Five
County	April	May 4, 2022	May 2, 2022	Two
County	May	June 8, 2022	June 1, 2022	Seven
County	July	August 3, 2022	August 1, 2022	Two
County	August	September 7, 2022	September 1, 2022	Six
County	September	October 5, 2022	October 3, 2022	Two
County	November	December 7, 2022	December 1, 2022	Six
County	December	January 5, 2023	January 3, 2023	Two

The Village should distribute all monies collected on behalf of Mayor's Court to the respective subdivisions and ensure this is completed timely.

Official’s Response: I believe the auditors are misinformed as to how Reparations Rotary payments are handled by the courts and are requiring the information to be submitted in an unreasonable timeline. According to Ohio Administrative Code; Rule 113-1-06 | Reparations rotary reporting for courts. Courts are required to submit Reparation Rotary payments to the Treasurer of State **within 30 days from the end of the month**. The Mayors Court has always submitted payments well within this timeline in the past and did so in all except for 3 months in the previous 24-month audit period. The issue was when the Treasurer of State changed their online payment system and made it impossible to pay the fees after 5:00 pm and on weekends when first installed. This computer issue made it virtually impossible for payments to be made by the mayor. This was rectified after complaints from part-time Mayors as myself who hold down full time jobs and are unable to make the payments through the week prior to 5:00 pm. Since the issue was rectified, all payments are made well within the 30 days’ timeframe. – Mayor M Shane Patrone

Auditor of State’s Conclusion

The late payments we identified relate to payments to the County which are due the first business day of each month, not for payments owed to the state treasurer.

FINDING NUMBER 2022-002

Significant Deficiency – Cash Reconciliation and Process Errors

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection. (Continued)

The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board/Council and/or other administrator are responsible for reviewing the reconciliations and related support.

Furthermore, Auditor of State, Management Advisory Services (MAS) Bulletin 91-11 addresses the accounting procedures to follow regarding outstanding, stale dated checks issued by governmental entities. Section 9.39 of the Ohio Rev. Code provides that unclaimed money shall be deposited to the credit of a trust fund and shall be retained there until claimed by its lawful owner. If not claimed within a period of five years, the money shall revert to the General fund of the Public Office.

The following issues were identified during review of the Village's 2022 monthly cash reconciliations:

- The Fiscal Officer does not record the Mayor's Court activity in the accounting system, and as a result, is not included in the filed financial statements. As a result, receipts totaling \$20,820 and disbursements totaling \$23,978 as of December 31, 2022 were not reported on the financial statements; and
- The Village has an EMS PayPal account which is reconciled monthly. Testing over the 2022 Ambulance charges for services receipts identified one out of 14 receipts (1%), or \$1,045, that were not transferred timely to the Village's main depository account from the PayPal Account; and
- The Village's cash reconciliation as of December 31, 2022 included 12 checks totaling \$2,273 outstanding longer than one year.

Failure to reconcile monthly increases the possibility that the Village will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements. Finally, the outstanding checks may result in a cumbersome or incorrect reconciliation.

The Fiscal Officer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Council should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews. Moreover, the Village should transfer the monies from the PayPal account to the Village's main account on a timely basis. Finally, the Village should implement policies and procedures which include reviewing the outstanding check list for any stale dated checks and then place these checks in an unclaimed money fund as provided for in MAS Bulletin 91-11.

Official's Response: The Village started running the Mayor's Court receipts through the Village checking account and closed the outside checking account in 2023 once the issue was raised. The Paypal account for the Village EMS has been closed and also not used after brought to the Village's attention.

FINDING NUMBER 2022-003

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Fiscal Officer did not abide by the adopted chart of accounts in coding and classifying various transactions. This resulted in adjustments and reclassifications to the filed financial statements. The Village Fiscal Officer and management have agreed to and posted the adjustments to the Village's accounting records. The corrected amounts are reflected in the accompanying financial statements.

2022 Adjustments:

Fund Adjusted From:	Fund Adjusted To:	Amount	Explanation:
Village Park - Other Financing Sources	General Fund - Contributions, Gifts & Donations	\$97,465	To adjust donations and proceeds from the beer & wine festival to the General Fund.
Village Park - Other Financing Sources	State Grants - NatureWorks - Intergovernmental Receipts	21,392	To adjust the Natureworks State Grant from the Permanent Fund to the NatureWorks State Grant Fund
Custodial Fund	Mayor's Court - Distribution to Other Governments	29,023	To record Mayor's Court activity not posted to the accounting system.
Custodial Fund	Mayor's Court - Fines, Licenses and Permits for Distribution	22,060	To record Mayor's Court activity not posted to the accounting system.
Custodial Fund	Mayor's Court - beginning balance	6,963	To record Mayor's Court activity not posted to the accounting system.
Village Park - From prior audit	General Fund - Fund Balance	23,119	To adjust park expenditures to the General Fund from a prior audit adjustment
Village Park - Leisure Time Activities expense	General Fund - Leisure Time Activities expense	97,465	To adjust park expenditures to the General Fund
Village Park - Leisure Time Activities expense	State Grants - NatureWorks -Leisure Time Activities expense	21,392	To adjust state grant expenditures to the Nature works fund
Village Park - Leisure Time Activities Fund Balance	Village Park Fund Balance	23,192	To adjust park fund balance due to a prior audit adjustment

FINDING NUMBER 2022-003 (Continued)

2022 Reclassifications:

Fund	Reclassified To:	Amount	Reclassified From:
Street Construction Maintenance & Repair	Intergovernmental	\$25,556	Miscellaneous receipts
Custodial Fund	Mayor's Court-Fines, Licenses and Permits for Distribution	4,095	Mayor's Court - Deposits received
General Fund	Contributions and Donations	35,788	Charges for Services

Another misposting was identified; however it was not material and the Village decided not to make the adjustment.

Errors identified in the filed Financial Statement Notes include:

- The most current Regulatory Footnote Shell was not used, since the Village used a shell from several years ago;
- Within the Summary of Significant Accounting Policies note, the Deposits and Investments paragraph was not presented, all Special Revenue funds were listed and the Custodial funds were not included;
- The Deposits and Investments note did not include accurate figures and did not agree to the financial statements. In addition, Ohio Pooled Collateral and Investments information were not presented;
- The Budgetary and Debt notes did not include accurate figures;
- The Defined Benefits Pension Plan and Postemployment Benefits notes were included; however, did not include the most current information;
- The Risk Management note was not complete;
- The Contingent Liabilities note was not included;
- The Fund Balances note was not included; and
- The COVID-19 note was not included.

The Village did not have procedures in place to record transactions properly or procedures in place to include updated disclosures.

Failure to consistently follow a uniform chart of accounts increases the possibility the Village will not be able to identify, assemble, classify, record, and report its transactions correctly or to document compliance with finance-related legal and contractual requirements.

The Fiscal Officer should maintain the accounting system to enable the Village to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the UAN chart of accounts to help ensure that financial activity of the Village is accurately recorded and reported. In addition, the Village should review the financial statements and notes prior to report submission and ensure the most current version of the notes are used, which can be located on the Auditor of State's website under Reference Materials.

Official's Response: The Fiscal Officer addressed and corrected the mis posting codes at the request of the auditor's. The village is expecting to use an updated Regulatory Footnote Shell going forward in an attempt to correct these issues.

FINDING NUMBER 2022-004

Material Weakness – Budgetary Amounts Not Recorded In Accounting System

Sound accounting practices require accurately posting estimated receipts to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters.

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The following variances were identified in 2022:

Fund	Estimated Receipts per Certificate	Estimated Receipts per Accounting System	Variance
General	\$525,935	\$436,936	\$88,999
Water Operating	1,203,882	1,149,882	54,000

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The approved Certificate of Estimated Resources were not posted to the accounting system.

Failure to accurately post the estimated resources to the ledgers could result in overspending and negative cash balances.

To effectively control the budgetary cycle and to maintain accountability over receipts, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and approved by the Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources have been properly posted to the ledgers.

Official's Response: The village ended 2023 with available funds and did not receive an amended certificate prior to expending these funds at the time. To clarify, the funds were available, and no items went unpaid. This issue was also discussed at the Auditor's training on May 7, 2025 and a procedure list is being produced to address and hopefully prevent this issue in the future and keep the village in compliance with this issue in the future.

FINDING NUMBER 2022-005

Material Weakness – Lack of Supporting Documentation

Village management has the responsibility of establishing effective internal controls over all Village revenues. These controls should ensure revenues are charged appropriately and recorded accurately, completely and in the appropriate reporting period.

During 2022, the Village held a festival to raise monies for the Park and received various donations for the park stage pavilion and dog park fence. Six of the ten, or \$67,834 out of \$101,527, Park Festival receipts and other donations tested in 2022, supporting documentation was not provided to determine fees, accuracy, completeness or appropriate cutoff of the transactions.

Failure to maintain sufficient supporting evidence of transactions may lead to errors or omissions in the accounting records and financial statements, and could result in a modified financial statement opinion.

FINDING NUMBER 2022-005 (Continued)

The Village should enact policies and procedures to ensure all receipts are accompanied by documentation supporting the accuracy, completeness and timeliness of the revenue.

Official's Response: Starting in 2023 the Village no longer runs the festivals in New Waterford. The festivals are run by a separate 501c3 organization. The village gives permission for the events to be held at the park.

VILLAGE OF NEW WATERFORD

Columbiana County

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Mayor – M. Shane Patrone Administrator – Jason Gorby Fiscal Officer – David A. Slagle

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Mayor's Court Disbursements-Noncompliance and Significant Deficiency	Not Corrected	Repeated as Finding Number 2022-001
2019-006	Cash Reconciliation and Process Errors-Material Weakness	Not Corrected	Repeated as Finding Number as 2022-002
2015-001	Financial Reporting-Material Weakness	Not Corrected	Repeated as Finding Number 2022-003
2021-004	Budgetary Amounts Not Recorded in Accounting System	Not Corrected	Repeated as Finding Number 2022-004
2021-005	Park Festival Receipts-Significant Deficiency	Not Corrected	Repeated as Finding Number 2022-005

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NEW WATERFORD

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 8/5/2025

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

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