



OHIO AUDITOR OF STATE  
**KEITH FABER**





**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER

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## INDEPENDENT AUDITOR'S REPORT

Village of New Miami  
Butler County  
268 Whitaker Avenue  
New Miami, Ohio 45011

To the Village Council:

### ***Report on the Audit of the Financial Statements***

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of Village of New Miami, Butler 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 years ended December 31, 2021 and 2020, 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 years ended December 31, 2021 and 2020, 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, 2021 and 2020, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

#### ***Basis for Opinions***

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matter***

As discussed in Note 11 to the 2021 financial statements and Note 12 to the 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. Our opinion is not modified with respect to this matter.

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

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

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

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, 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  
Auditor of State  
Columbus, Ohio  
November 30, 2022

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

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$45,485	\$121,771		\$167,256
Municipal Income Tax	151,620			151,620
Intergovernmental	45,518	267,472		312,990
Special Assessments			18,700	18,700
Charges for Services	4,674	32,001		36,675
Fines, Licenses and Permits	54,068	2,778		56,846
Earnings on Investments	2,769	367		3,136
Miscellaneous	95,269	14,459		109,728
<i>Total Cash Receipts</i>	<u>399,403</u>	<u>438,848</u>	<u>18,700</u>	<u>856,951</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	102,866	187,502		290,368
Public Health Services	1,463			1,463
Leisure Time Activities	46,558			46,558
Basic Utility Services		13,582		13,582
Transportation	39,779	140,657		180,436
General Government	268,958	1,614		270,572
Debt Service:				
Principal Retirement		13,513	12,417	25,930
Interest and Fiscal Charges			6,869	6,869
<i>Total Cash Disbursements</i>	<u>459,624</u>	<u>356,868</u>	<u>19,286</u>	<u>835,778</u>
<i>Net Change in Fund Cash Balances</i>	(60,221)	81,980	(586)	21,173
<i>Fund Cash Balances, January 1</i>	<u>1,262,453</u>	<u>557,503</u>	<u>11,514</u>	<u>1,831,470</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,202,232</u>	<u>\$639,483</u>	<u>\$10,928</u>	<u>\$1,852,643</u>

*See accompanying notes to the basic financial statements*

**Village of New Miami**  
*Butler County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Enterprise Funds*  
*For the Year Ended December 31, 2021*

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**Operating Cash Receipts**

Charges for Services	\$690,373
Miscellaneous	51,298

<i>Total Operating Cash Receipts</i>	<u>741,671</u>
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**Operating Cash Disbursements**

Personal Services	206,540
Employee Fringe Benefits	81,151
Contractual Services	234,292
Supplies and Materials	46,442
Other	9,887

<i>Total Operating Cash Disbursements</i>	<u>578,312</u>
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<i>Operating Income (Loss)</i>	<u>163,359</u>
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**Non-Operating Receipts (Disbursements)**

Intergovernmental Receipts	8,943
Loans Issued	28,562
Miscellaneous Receipts	16,713
Capital Outlay	(56,467)
Principal Retirement	(62,089)
Interest and Other Fiscal Charges	(661)

<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(64,999)</u>
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<i>Net Change in Fund Cash Balances</i>	98,360
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<i>Fund Cash Balances, January 1</i>	<u>718,027</u>
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<i>Fund Cash Balances, December 31</i>	<u><u>\$816,387</u></u>
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*See accompanying notes to the basic financial statements*

**Village of New Miami***Butler County**Combined Statement of Additions, Deductions**and Changes in Fund Balances (Regulatory Cash Basis)**Custodial Fund**For the Year Ended December 31, 2021*

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<b>Additions</b>	
Charges for Services	<u>368,887</u>
<i>Total Additions</i>	<u>368,887</u>
 <b>Deductions</b>	
Distributions to Other Governments	<u>372,884</u>
<i>Total Deductions</i>	<u>372,884</u>
 <i>Net Change in Fund Balances</i>	(3,997)
 <i>Fund Cash Balances, January 1</i>	<u>33,019</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$29,022</u></u>
 <i>See accompanying notes to the basic financial statements</i>	

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**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1-REPORTING ENTITY**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of New Miami, Butler County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and trash utilities, recreation, street maintenance and police service. The Village sewer operations are in the control of Butler County. The Village appropriates general fund money to support a volunteer fire department.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

**B. 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.

Money market mutual funds are recorded at the same value reported by the mutual funds.

**C. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. 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.

**2. Special Revenue Funds**

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

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Police Levy Fund - This fund receives property tax money which is used to operate the Village police department.

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(Continued)**

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(Continued)**

**3. Debt Service Funds**

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

Storm Water Loan Fund – This fund receives special assessment tax revenue to be used for debt service on Ohio Water Development Authority Loan #4403.

Armco Bond Retirement Fund – This fund receives special assessment tax revenue to be used for debt service on Ohio Water Development Authority Loan #4404.

**4. Enterprise Funds**

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

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

Trash Fund - This fund receives charges for services from residents to cover trash service costs.

**5. Fiduciary Funds**

The Village's fiduciary fund consists of custodial funds.

Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as the collection and distribution of sewer fees are collected by the Village and are remitted to Butler County. Per an agreement with Butler County dated February 26, 2004. New Miami surrendered operation of its sewer collection system and sewer treatment plant to Butler County on November 5, 2004.

**D. Accounting Basis**

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. Council 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 MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(Continued)**

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(Continued)**

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2021 budgetary activity appears in Note 4.

**F. 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:

**1. Non-spendable**

The Village classifies assets as *non-spendable* 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.

**2. Restricted**

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

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(Continued)**

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(Continued)**

**3. 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.

**4. 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.

**5. Unassigned**

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

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

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

**G. 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.

**H. Accumulated Leave**

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



**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(Continued)**

**NOTE 3-EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

	2021
Demand deposits	\$652,302
Money Market savings	2,045,750
Total deposits and investments	<u>\$2,698,052</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. At December 31, 2021, the Village is holding no unremitted employee payroll withholdings.

**Deposits:** Deposits are insured by the Federal Depository 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-BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$327,500	\$399,403	\$71,903
Special Revenue	438,446	438,848	402
Debt Service	18,700	18,700	0
Capital Projects	0	0	0
Enterprise	786,460	795,889	9,429
Custodial	0	368,887	0
Total	<u>\$1,571,106</u>	<u>\$2,021,727</u>	<u>\$81,734</u>

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(Continued)**

**NOTE 4-BUDGETARY ACTIVITY-(Continued)**

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$566,809	\$467,389	\$99,420
Special Revenue	432,099	360,076	72,023
Debt Service	19,600	19,286	314
Capital Projects	0	0	0
Enterprise	818,238	702,239	115,999
Custodial	0	372,884	0
Total	<u>\$1,836,746</u>	<u>\$1,921,874</u>	<u>\$287,756</u>

**NOTE 5-PROPERTY TAX**

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

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

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

**NOTE 6-LOCAL INCOME TAX**

The Village levies a municipal income tax of 1.75% 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.

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(Continued)**

**NOTE 7-DEBT**

Debt outstanding at December 31, 2021 was as follows:

	Principal	Interest Rate
OWDA 2005 Phase II Stormwater Improvements Loan (4403)	145,279	3.79%
OWDA 2005 Waterline Extension Loan (4404)	29,350	3.79%
OWDA 2007 Well Rehabilitation Loan (4670)	20,084	1.50%
OWDA 2009 Water Tower Loan (5100)	3,262	4.00%
OPWC 2006 Booster Station Improvement Loan (CJ06J)	22,750	0.00%
OPWC 2006 Augspurger Waterline Improvement Loan (CJ05J)	37,125	0.00%
OPWC 2007 Water Supply Improvement Loan (CJ01K)	38,000	0.00%
OPWC 2009 Storm Sewer Improvements Phase II Loan (CJ24M)	141,893	0.00%
OPWC 2011 Water Supply/Water Storage Phase III Loan (CJ39M)	123,750	0.00%
OPWC 2016 Water Meter Repl & Tank Demo (CJ02S)	293,992	0.00%
OPWC 2021 West Elkton Road Water Tower (CJ29W)	166,250	0.00%
Total	\$1,021,735	

The OWDA 2005 Phase II Storm Water Improvements Loan (4403) relates to a storm water improvement project. The total amount of the loan awarded was \$228,000. The loan is being repaid in semi-annual installments of \$6,393, including interest, over 30 years. The last payment is due January 1, 2037. The OWDA loan is collateralized by special assessment fees. Loan payments are being made from Fund 3101-Storm Water Loan Debt Service.

The OWDA 2005 Waterline Extension Loan (4404) relates to a waterline extension project. The total amount of the loan awarded was \$90,549. The loan is being repaid in semi-annual installments of \$3,249, including interest, over 20 years. The last payment is due January 1, 2037.

The OWDA loan is collateralized by special assessment fees. Loan payments are being paid from Fund 3102-Armco Bond Retirement Debt Service.

The OWDA 2007 Well Rehabilitation Loan (4670) related to a well rehabilitation project. The total amount of the loan awarded was \$65,760. The loan is being repaid in semi-annual installments of \$1,909, including interest, over 20 years. The last payment is due July 1, 2027. The OWDA loan is collateralized by water receipts. Loan payments are being paid from Fund 5101-Water Operations.

The OWDA 2009 Water Tower Loan (5100) relates to the replacement of the Village's water tower. The total amount of the loan awarded was \$60,000. The loan is to be repaid in semi-annual installments of \$3,254, including interest, over 12 years. The last payment is due July 1, 2022. The OWDA loan is collateralized by water receipts. Loan payments are being paid from Fund 5101-Water Operations.

The Ohio Public Works Commission (OPWC) 2006 Loan (CJ06J) relates to the booster station improvement. The total amount of the loan awarded was \$65,000. The loan is to be repaid in semi-annual installments of \$1,625 over 20 years. The last payment is due January 1, 2029. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC 2006 Loan (CJ05J) relates to the Augspurger waterline improvement project. The total amount of the loan awarded as \$99,000. The loan is to be repaid in semi-annual installments of \$2,475 over 20 years. The last payment is due July 1, 2029. Loan payments are being paid from Fund 5101-Water Operations.

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(Continued)**

**NOTE 7-DEBT-(Continued)**

The OPWC 2007 Loan (CJ01K) relates to water supply improvements. The total amount of the loan awarded was \$60,000. The loan will be repaid in semi-annual installments of \$1,000 over 30 years. The last payment is due January 1, 2041. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC 2009 Loan (CJ24M) relates to the storm sewer improvements project. The total amount of the loan awarded was \$270,272. The loan will be repaid in semi-annual installments of \$6,575 over 20 years. The last payment is due July 1, 2032. Loan payments are being paid from Fund 2903-Stormwater Maintenance.

The OPWC 2011 Loan (CJ39M) relates to water supply and water storage improvements. The total amount of the loan awarded was \$275,000. The loan will be repaid in semi-annual installments of \$6,875 over 30 years. The last payment is due January 1, 2031. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC 2016 Loan (CJ02S) relates to water meter replacements and the demolition of a water tank. The total amount of the loan awarded was \$391,990. The loan will be repaid in semi-annual installments of \$9,800 over 20 years. The last payment due is January 1, 2037. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC 2021 Loan (CJ29W) relates to the replacement of the West Elkton Road Water Tower. The total amount of the loan awarded was \$175,000. The loan will be repaid in semi-annual installments of \$4,375 over 20 years. The last payment is due January 1, 2041. Loan payments are being paid from Fund 5101-Water Operations.

**Leases**

The Village leases meter transponders under noncancelable leases. The Village disbursed \$0.00 to pay lease costs for the year ended December 31, 2021

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

Year ending December 31:	Lease	OWDA Loan	OPWC Loan
2022	\$15,726	\$14,879	\$32,907
2023	15,726	23,104	65,813
2024	15,726	23,104	65,813
2025	15,726	23,104	65,813
2026	15,726	23,104	65,813
2027-2031	31,454	71,001	304,166
2032-2036	0	63,934	163,261
2037-2041	0	6,394	60,175
Total	<u>\$110,084</u>	<u>\$248,624</u>	<u>\$823,761</u>

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(Continued)**

**NOTE 8-DEFINED BENEFIT PENSION PLANS**

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2021, OP&F participants contributed 12.25% of their wages. For 2021, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2021, OPERS members contributed 10%, respectively, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Some 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 participant's gross salaries. The Village has paid all contributions required through December 31, 2021

**NOTE 9-RISK MANAGEMENT**

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

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.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgements, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2020, PEP retained \$500,000 for casualty claims and \$250,000 for property claims. The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(Continued)**

**NOTE 9-RISK MANAGEMENT-(Continued)**

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2019 (latest available information).

	2020
Assets	\$57,336,499
Liabilities	(\$16,156,805)
Net Position	\$41,179,694

At December 31, 2020, the liabilities above include approximately 14.1 million of estimated incurred claims payable. The assets above also include approximately 13.6 million of member contributions to be billed in the future. The Pool's membership increased to 571 members in 2020. These amounts will be included in future contributions from members when the related claims are due for payment.

2021 Contributions to PEP
\$47,493

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notified PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no future obligation to PEP. Also, upon withdrawal, payment for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to withdrawal.

**NOTE 10-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 members in the Traditional Pension Plan and Combined Plan was 0 percent during the calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(Continued)**

**NOTE 11 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

During 2021, the Village received \$124,706 as an on-behalf of grant from another government. These amounts are recorded in the Local Fiscal Recovery Special Revenue Fund.

**NOTE 12 – FUND BALANCES**

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

		Special	Debt	Capital	
Fund Balances	General	Revenue	Service	Projects	Total
Nonspendable:					\$0
Unclaimed Monies	\$75,034				75,034
Corpus					0
Outstanding Encumbrance	7,766	3,207	0	0	10,973
<i>Total</i>	<i>\$82,800</i>	<i>\$3,207</i>	<i>\$0</i>	<i>\$0</i>	<i>\$86,007</i>

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

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(Continued)**

**NOTE 13-CONTINGENT LIABILITIES**

The Village is party to a lawsuit concerning the use of speed cameras to issue citations, *Barrow v New Miami*, Butler County Common Pleas no. CV-2013-07-2047. The use of speed cameras was implemented by the Village in October 2012. The lawsuits seek to have all fees from citations issued as a result of the speed cameras, returned to the payers and an award of attorney fees to the claimants.

On July 10, 2019 the Trial Court entered Final Judgement against the Village for \$3,066,422.11. The Village appealed the judgment to the Twelfth District Ohio Court of Appeals on July 10, 2019. After briefing and oral argument, the Twelfth District in cases nos. CA2019-07-112 and 2019-08-136, on October 13, 2020 issued its Opinion and Judgement Entry reversing the Trial Court and entering Judgement in favor of the Village. The Court of Appeals held that the Village Ordinance and the administrative hearing to determine civil liability for speeding offenses did not violate the Ohio Constitution guarantee of due process. Plaintiffs filed an Application for Reconsideration in the Court of Appeals to which the Village responded. The Court of Appeals denied Plaintiff's Application for Reconsideration on December 29, 2020. Hence at the end of 2020, there was no judgement against the Village, but Plaintiffs could still appeal to the Ohio Supreme Court.

On February 1, 2021, Plaintiffs timely filed their Notice of Appeal to the Ohio Supreme Court and their Memorandum in Support of Jurisdiction, Supreme Court no. 2021-0151. Jurisdiction in the Supreme is discretionary with the Court and is granted only when the Court considers the case to present "a matter of public or great general interest" and/or presents a substantial constitutional question. The Village filed a Memorandum opposing jurisdiction by March 3, 2021. The Supreme Court did grant jurisdiction to the appeal. The parties fully briefed the issues, and an amicus brief was filed by the Cities of Dayton and Toledo. Oral argument in the Supreme Court was held on January 26, 2022. On Wednesday February 16, 2022, the Court delivered its 4-3 decision in *Barrow v. New Miami*, case number 2021-0151, slip opinion No. 2022-Ohio-423, dismissing Plaintiffs' appeal "as having been improperly granted." This means that the Court should not have accepted the appeal because it did not present a case of "public or great general interest." This leaves in place the judgment of the 12<sup>th</sup> District Court of Appeals, which vacated the grant of summary judgment to Plaintiffs and entered judgment in favor of the Village. Plaintiffs have 10 days, until February 26, 2022 to file a motion to reconsider in the Supreme Court. It is unlikely that such a motion will be granted. Aside from the potential motion to reconsider there are no further appeals or other relief that Plaintiffs can seek. As of now, the Village has zero liability in this case.



**Village of New Miami**  
*Butler County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2020*

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$37,777	\$118,696			\$156,473
Municipal Income Tax	154,218				154,218
Intergovernmental	63,418	318,466		64,895	446,779
Special Assessments			19,016		19,016
Charges for Services	7,000	30,708			37,708
Fines, Licenses and Permits	58,235	3,411			61,646
Earnings on Investments	3,944	382			4,326
Miscellaneous	79,205	27,579			106,784
<i>Total Cash Receipts</i>	<u>403,797</u>	<u>499,242</u>	<u>19,016</u>	<u>64,895</u>	<u>986,950</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	147,030	146,943			293,973
Public Health Services	1,572				1,572
Leisure Time Activities	47,958				47,958
Basic Utility Services		13,294			13,294
Transportation	48,482	96,602			145,084
General Government	206,410	183,292			389,702
Capital Outlay				159,263	159,263
Debt Service:					
Principal Retirement		13,514	11,960		25,474
Interest and Fiscal Charges			7,326		7,326
<i>Total Cash Disbursements</i>	<u>451,452</u>	<u>453,645</u>	<u>19,286</u>	<u>159,263</u>	<u>1,083,646</u>
<i>Net Change in Fund Cash Balances</i>	(47,655)	45,597	(270)	(94,368)	(96,696)
<i>Fund Cash Balances, January 1</i>	<u>1,310,108</u>	<u>511,906</u>	<u>11,784</u>	<u>94,368</u>	<u>1,928,166</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,262,453</u>	<u>\$557,503</u>	<u>\$11,514</u>	<u>\$0</u>	<u>\$1,831,470</u>

*See accompanying notes to the basic financial statements*

**Village of New Miami**  
*Butler County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Enterprise Funds*  
*For the Year Ended December 31, 2020*

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**Operating Cash Receipts**

Charges for Services	\$633,968
Miscellaneous	7,954

<i>Total Operating Cash Receipts</i>	<u>641,922</u>
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**Operating Cash Disbursements**

Personal Services	187,599
Employee Fringe Benefits	65,439
Contractual Services	229,079
Supplies and Materials	92,466
Other	9,494

<i>Total Operating Cash Disbursements</i>	<u>584,077</u>
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<i>Operating Income (Loss)</i>	<u>57,845</u>
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**Non-Operating Receipts (Disbursements)**

Intergovernmental	402,588
Loans Issued	147,261
Miscellaneous Receipts	64,015
Capital Outlay	(585,443)
Principal Retirement	(53,016)
Interest and Other Fiscal Charges	(957)

<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(25,552)</u>
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<i>Net Change in Fund Cash Balances</i>	32,293
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<i>Fund Cash Balances, January 1</i>	<u>685,734</u>
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<i>Fund Cash Balances, December 31</i>	<u><u>\$718,027</u></u>
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*See accompanying notes to the basic financial statements*

**Village of New Miami***Butler County**Combined Statement of Additions, Deductions**and Changes in Fund Balances (Regulatory Cash Basis)**Custodial Fund**For the Year Ended December 31, 2020*

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<b>Additions</b>	
Charges for Services	<u>367,231</u>
<i>Total Additions</i>	<u>367,231</u>
<b>Deductions</b>	
Distributions to Other Governments	<u>371,511</u>
<i>Total Deductions</i>	<u>371,511</u>
<i>Net Change in Fund Balances</i>	(4,280)
<i>Fund Cash Balances, January 1</i>	<u>37,299</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$33,019</u></u>

*See accompanying notes to the basic financial statements*

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**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1-REPORTING ENTITY**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of New Miami, Butler County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and trash utilities, recreation, street maintenance and police service. The Village sewer operations are in the control of Butler County. The Village appropriates general fund money to support a volunteer fire department.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

**B. 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.

Money market mutual funds are recorded at the same value reported by the mutual funds.

**C. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. 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.

**2. Special Revenue Funds**

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

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Police Levy Fund – This fund receives property tax money which is used to operate the Village police department.

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)**

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(Continued)**

**3. Debt Service Funds**

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

Storm Water Loan Fund – This fund receives special assessment tax revenue to be used for debt service on Ohio Water Development Authority Loan #4403.

Armco Bond Retirement Fund – This fund receives special assessment tax revenue to be used for debt service on Ohio Water Development Authority Loan #4404.

**4. 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:

Algonquin Drive Rehab Project– This fund receives grant monies along with Motor Vehicle Permissive money from the County to be used to make street repairs to Algonquin Drive.

**5. Proprietary 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 Proprietary Funds:

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

Trash Fund - This fund receives charges for services from residents to cover trash service costs.

**6. Fiduciary Funds**

The Village's fiduciary fund consists of custodial funds.

Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as the collection and distribution of sewer fees are collected by the Village and are remitted to Butler County. Per an agreement with Butler County dated February 26, 2004. New Miami surrendered operation of its sewer collection system and sewer treatment plant to Butler County on November 5, 2004.

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)**

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(Continued)**

**D. Accounting Basis**

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. Council 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.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2020 budgetary activity appears in Note 4.

**F. 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:

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)**

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(Continued)**

**1. Non-spendable**

The Village classifies assets as *non-spendable* 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.

**2. 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.

**3. 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.

**4. 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.

**5. Unassigned**

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**G. 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.

**H. Accumulated Leave**

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



**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)**

**NOTE 3-EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

	2020
Demand deposits	\$539,697
Money Market savings	2,042,819
Total deposits and investments	<u>\$2,582,516</u>

**Deposits:** Deposits are insured by the Federal Depository 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-BUDGETARY ACTIVITY**

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$361,944	\$403,797	\$41,853
Special Revenue	486,997	499,242	12,245
Debt Service	19,015	19,016	1
Capital Projects	64,895	64,895	0
Enterprise	1,218,209	1,255,786	37,577
Custodial	0	367,231	0
Total	<u>\$2,151,061</u>	<u>\$2,609,967</u>	<u>\$91,675</u>

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)**

**NOTE 4-BUDGETARY ACTIVITY-(Continued)**

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$606,549	\$458,257	\$148,293
Special Revenue	536,621	456,801	79,821
Debt Service	20,000	19,286	714
Capital Projects	159,263	159,263	0
Enterprise	1,347,097	1,244,145	102,952
Custodial	0	371,511	0
Total	<u>\$2,669,530</u>	<u>\$2,709,261</u>	<u>\$331,780</u>

**NOTE 5-PROPERTY TAX**

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

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

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

**NOTE 6-LOCAL INCOME TAX**

The Village levies a municipal income tax of 1.75% 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.

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)**

**NOTE 7-DEBT**

Debt outstanding at December 31, 2020 was as follows:

	Principal	Interest Rate
OWDA 2005 Phase II Stormwater Improvements Loan (4403)	152,358	3.79%
OWDA 2005 Waterline Extension Loan (4404)	34,587	3.79%
OWDA 2007 Well Rehabilitation Loan (4670)	23,562	1.50%
OWDA 2009 Water Tower Loan (5100)	9,574	4.00%
OPWC 2006 Booster Station Improvement Loan (CJ06J)	26,000	0.00%
OPWC 2006 Augspurger Waterline Improvement Loan (CJ05J)	42,075	0.00%
OPWC 2007 Water Supply Improvement Loan (CJ01K)	40,000	0.00%
OPWC 2009 Storm Sewer Improvements Phase II Loan (CJ24M)	155,407	0.00%
OPWC 2011 Water Supply/Water Storage Phase III Loan (CJ39M)	137,500	0.00%
OPWC 2016 Water Meter Repl & Tank Demo (CJ02S)	313,592	0.00%
OPWC West Elkton Road Water Tower (CJ29W)	147,261	0.00%
<b>Total</b>	<b><u>\$1,081,916</u></b>	

The OWDA 2005 Phase II Storm Water Improvements Loan (4403) relates to a storm water improvement project. The total amount of the loan awarded was \$228,000. The loan is being repaid in semi-annual installments of \$6,393, including interest, over 30 years. The last payment is due January 1, 2037. The OWDA loan is collateralized by special assessment fees. Loan payments are being made from Fund 3101-Storm Water Loan Debt Service.

The OWDA 2005 Waterline Extension Loan (4404) relates to a waterline extension project. The total amount of the loan awarded was \$90,549. The loan is being repaid in semi-annual installments of \$3,249, including interest, over 20 years. The last payment is due January 1, 2037.

The OWDA loan is collateralized by special assessment fees. Loan payments are being paid from Fund 3102-Armco Bond Retirement Debt Service.

The OWDA 2007 Well Rehabilitation Loan (4670) related to a well rehabilitation project. The total amount of the loan awarded was \$65,760. The loan is being repaid in semi-annual installments of \$1,909, including interest, over 20 years. The last payment is due July 1, 2027. The OWDA loan is collateralized by water receipts. Loan payments are being paid from Fund 5101-Water Operations.

The OWDA 2009 Water Tower Loan (5100) relates to the replacement of the Village's water tower. The total amount of the loan awarded was \$60,000. The loan is to be repaid in semi-annual installments of \$3,254, including interest, over 12 years. The last payment is due July 1, 2022. The OWDA loan is collateralized by water receipts. Loan payments are being paid from Fund 5101-Water Operations.

The Ohio Public Works Commission (OPWC) 2006 Loan (CJ06J) relates to the booster station improvement. The total amount of the loan awarded was \$65,000. The loan is to be repaid in semi-annual installments of \$1,625 over 20 years. The last payment is due January 1, 2029. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC 2006 Loan (CJ05J) relates to the Augspurger waterline improvement project. The total amount of the loan awarded as \$99,000. The loan is to be repaid in semi-annual installments of \$2,475 over 20 years. The last payment is due July 1, 2029. Loan payments are being paid from Fund 5101-Water Operations.

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)**

**NOTE 7-DEBT-(Continued)**

The OPWC 2007 Loan (CJ01K) relates to water supply improvements. The total amount of the loan awarded was \$60,000. The loan will be repaid in semi-annual installments of \$1,000 over 30 years. The last payment is due January 1, 2041. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC 2009 Loan (CJ24M) relates to the storm sewer improvements project. The total amount of the loan awarded was \$270,272. The loan will be repaid in semi-annual installments of \$6,575 over 20 years. The last payment is due July 1, 2032. Loan payments are being paid from Fund 2903-Stormwater Maintenance.

The OPWC 2011 Loan (CJ39M) relates to water supply and water storage improvements. The total amount of the loan awarded was \$275,000. The loan will be repaid in semi-annual installments of \$6,875 over 30 years. The last payment is due January 1, 2031. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC 2016 Loan (CJ02S) relates to water meter replacements and the demolition of a water tank. The total amount of the loan awarded was \$391,990. The loan will be repaid in semi-annual installments of \$9,800 over 20 years. The last payment due is January 1, 2037. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC Loan (CJ29W) relates to the replacement of the West Elkton Road Water Tower. The total amount of the loan awarded in 2020 was \$147,261. Loan payments have not begun yet in 2020 and will be paid from Fund 5101-Water Operations.

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

Year ending December 31:	<u>OWDA Loan</u>	<u>OPWC Loan</u>
2021	\$14,865	\$28,532
2022	29,750	57,063
2023	23,104	57,063
2024	23,104	57,063
2025	23,104	57,063
2026-2030	81,319	275,491
2031-2035	63,934	141,900
2036-2040	19,180	39,399
2041	0	1,000
Total	<u>\$278,360</u>	<u>\$714,574</u>

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)**

**NOTE 8-DEFINED BENEFIT PENSION PLANS**

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2020, OP&F participants contributed 12.25% of their wages. For 2020, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2020, OPERS members contributed 10%, respectively, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

Some 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 participant's gross salaries. The Village has paid all contributions required through December 31, 2020.

**NOTE 9-RISK MANAGEMENT**

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

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.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgements, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2018, PEP retained \$500,000 for casualty claims and \$250,000 for property claims. The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)**

**NOTE 9-RISK MANAGEMENT-(Continued)**

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2019 (latest available information).

	2019
Assets	\$54,973,597
Liabilities	(\$16,440,940)
Net Position	\$38,532,657

At December 31, 2019, the liabilities above include approximately 14.7 million of estimated incurred claims payable. The assets above also include approximately 13.7 million of member contributions to be billed in the future. The Pool's membership increased to 553 members in 2019. These amounts will be included in future contributions from members when the related claims are due for payment.

2020 Contributions to PEP
\$39,390

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notified PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no future obligation to PEP. Also, upon withdrawal, payment for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to withdrawal.

**NOTE 10-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 members in the Traditional Pension Plan and Combined Plan was 0 percent during the calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)**

**NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLES**

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

**NOTE 12 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received \$180,037 as an on-behalf of grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund.

**NOTE 13 – FUND BALANCES**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years 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>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Nonspendable:					\$0
Unclaimed Monies	\$75,729				75,729
Corpus					0
Outstanding Encumbrances	6,809	3,159	0	0	9,968
<i>Total</i>	<u>\$82,538</u>	<u>\$3,159</u>	<u>\$0</u>	<u>\$0</u>	<u>\$85,697</u>

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

**VILLAGE OF NEW MIAMI  
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)**

**NOTE 14-CONTINGENT LIABILITIES**

The Village is party to several lawsuits concerning the use of speed cameras to issue citations. The use of speed cameras was implemented by the Village in October 2012. The lawsuits seek to have all fees from citations issued as a result of the speed cameras, returned to the payers and an award of attorney fees to the claimants.

On July 10, 2019 the Trial Court entered Final Judgement against the Village for \$3,066,422.11. The Village appealed to the Twelfth District Ohio Court of Appeals on July 10, 2019. After briefing and oral argument, the Twelfth District in cases nos. CA2019-07-112 and 2019-08-136, on October 13, 2020 issued its Opinion and Judgement Entry reversing the Trial Court and entering Judgement in favor of the Village. Plaintiffs filed an Application for Reconsideration in the Court of Appeals to which the Village responded. (The filing of the reconsideration application tolled/suspended the 45 day period for an appeal to the Ohio Supreme Court.) The Court of Appeals denied Plaintiff's Application for Reconsideration on December 29, 2020. Hence at the end of 2020, there was no judgement against the Village, but Plaintiffs could still appeal to the Ohio Supreme Court.

On February 1, 2021, Plaintiffs timely filed their Notice of Appeal to the Supreme Court and their Memorandum in Support of Jurisdiction. The Supreme Court does not have to accept jurisdiction of the appeal. That is discretionary with the Court and is granted only when the Court considers the case to present "a matter of public or great general interest" and/or presents a substantial constitutional question. We will file a Memorandum opposing jurisdiction by March 3, 2021. We will argue that the passage of HB62 granting exclusive jurisdiction to the municipal court of all civil or criminal traffic violations had the effect of ending all administrative hearings on civil traffic violations, and turning the New Miami case into a one-off matter with no public or great general interest. We also argue that the Twelfth District applied settled constitutional principles to resolve this case and that there is no substantial constitutional question requiring the Supreme Court to intervene.



# OHIO AUDITOR OF STATE KEITH FABER



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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 Miami  
Butler County  
268 Whitaker Avenue  
New Miami, Ohio 45011

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of New Miami, Butler County, (the Village) and have issued our report thereon dated November 30, 2022, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which 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 purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***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  
Auditor of State  
Columbus, Ohio  
November 30, 2022

**VILLAGE OF NEW MIAMI**

268 Whitaker Avenue  
New Miami, OH 45011

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2021 AND 2020**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	Inaccurate financial statement presentation	Fully Corrected	



# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF NEW MIAMI**

**BUTLER 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 12/22/2022**

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

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