

**VILLAGE OF NORTH LEWISBURG**  
**CHAMPAIGN COUNTY, OHIO**

**REGULAR AUDIT**

**FOR THE YEARS ENDED**  
**DECEMBER 31, 2021 & 2020**





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Village Council  
Village of North Lewisburg  
P.O. Box 243  
North Lewisburg, Ohio 43060

We have reviewed the *Independent Auditor's Report* of the Village of North Lewisburg, Champaign County, prepared by Julian & Grube, Inc., for the audit period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

#### **Finding for Recovery**

***State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)***, provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. **Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School, 128 Ohio St.3d 50 (2010)***.

Due to insufficient policies and procedures, during 2022, 2021, and 2020, the Village incurred OPERS untimely remittance penalties and interest charges in the amount of \$2,159.67. These incurred costs were unnecessary expenditures that did not serve a proper public purpose and could have been avoided had the funds been remitted by the required due dates. Village Fiscal Officer, Jennifer McCombs, received or collected the public money used to make the improper payments.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Jennifer McCombs and her bonding company, Western Surety Company, jointly and severally, in the amount of \$2,159, and in favor of the Village of North Lewisburg General Fund, in the amount of \$2,159.

Village Council  
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P.O. Box 243  
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Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of North Lewisburg is responsible for compliance with these laws and regulations.



Keith Faber  
Auditor of State  
Columbus, Ohio

**March 24, 2023**

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY, OHIO**

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## Independent Auditor's Report

Village of North Lewisburg  
Champaign County  
60 East Maple Street  
P.O. Box 243  
North Lewisburg, OH 43060

To the Members of Village Council:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total of the Village of North Lewisburg, Champaign County, Ohio, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

#### *Unmodified Opinions 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 of the Village of North Lewisburg, as of and for the years ended December 31, 2021 and 2020 in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as 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 referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of North Lewisburg, as of December 31, 2021 and 2020, or changes in net position, and 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 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 of North Lewisburg 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 of North Lewisburg 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 a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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.

Though the Village of North Lewisburg does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Our opinions on this accounting basis are in the "Unmodified Opinions on Regulatory Basis of Accounting" paragraph above.

***Emphasis of Matters***

As described in Note 16 to the financial statements for the year ended December 31, 2020, the Village of North Lewisburg adopted changes in accounting principles and modified the definition of fiduciary funds, added a separate Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) – Fiduciary Fund Type, and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balance (Regulatory Cash Basis) – All Governmental Fund Types. As described in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village of North Lewisburg. Our opinions are not modified with respect to these matters.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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 misstatements, 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 of North Lewisburg'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 generally accepted auditing standards 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 generally accepted auditing standards 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 of North Lewisburg'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 of North Lewisburg'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 December 9, 2022 on our consideration of the Village of North Lewisburg's internal control over financial reporting and on 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 of North Lewisburg'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 Village of North Lewisburg's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
December 9, 2022

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN 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, 2021

	<u>Governmental Fund Types</u>		<b>Total (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Property and Other Local Taxes	\$ 25,538	\$ 9,010	\$ 34,548
Municipal Income Tax	335,204	-	335,204
Intergovernmental	27,578	183,335	210,913
Charges for Services	-	8,800	8,800
Fines, Licenses and Permits	6,013	230	6,243
Earnings on Investments	755	108	863
Miscellaneous	42,526	-	42,526
Total cash receipts	<u>437,614</u>	<u>201,483</u>	<u>639,097</u>
Cash disbursements:			
Current:			
Security of Persons and Property	131,166	-	131,166
Public Health Services	595	-	595
Leisure Time Activities	1,227	-	1,227
Basic Utility Services	7,637	5,161	12,798
Transportation	5,000	71,151	76,151
General Government	196,371	-	196,371
Capital Outlay	45,905	1,730	47,635
Debt Service:			
Principal Retirement	7,152	-	7,152
Total cash disbursements	<u>395,053</u>	<u>78,042</u>	<u>473,095</u>
Excess of receipts over (under) disbursements	<u>42,561</u>	<u>123,441</u>	<u>166,002</u>
Other Financing Receipts (Disbursements):			
Other Financing Sources	12,732	-	12,732
Other Financing Uses	(7,987)	-	(7,987)
Total Other Financing Receipts (Disbursements)	<u>4,745</u>	<u>-</u>	<u>4,745</u>
Net change in fund cash balances	47,306	123,441	170,747
Fund cash balances, January 1, 2021	<u>534,947</u>	<u>222,158</u>	<u>757,105</u>
Fund cash balances, December 31, 2021	<u>\$582,253</u>	<u>\$ 345,599</u>	<u>\$ 927,852</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for Services	\$ 722,883
Total operating cash receipts	722,883
Operating cash disbursements:	
Personal Services	116,232
Employee Fringe Benefits	57,434
Contractual Services	182,778
Supplies and Materials	75,164
Other	3,901
Total operating cash disbursements	435,509
Operating income (loss)	287,374
Nonoperating cash receipts/(disbursements):	
Capital Outlay	(14,042)
Principal Retirement	(131,923)
Interest and Other Fiscal Charges	(15,686)
Total nonoperating cash receipts/(disbursements)	(161,651)
Net change in fund cash balances	125,723
Fund cash balances, January 1, 2021	480,635
Fund cash balances, December 31, 2021	\$ 606,358

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY, OHIO**

STATEMENT OF ADDITIONS, DEDUCTIONS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Fiduciary Fund Type
	Custodial
	Other Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$ 14,916
<i>Total Additions</i>	14,916
<b>Deductions</b>	
Other Distributions	15
<i>Total Deductions</i>	15
<i>Net Change in Fund Balances</i>	14,901
<i>Fund Cash Balances, January 1, 2021</i>	7,621
<i>Fund Cash Balances, December 31, 2021</i>	\$ 22,522

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 - Reporting Entity**

The Village of North Lewisburg, Champaign 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, (leisure time activities) and police services (security of persons and property). The Village receives fire protection and EMS services from The Northeast Champaign County Fire District. For more details on the Northeast Champaign County Fire District, see Note 10.

***Jointly Governed Organizations, and Public Entity Risk Pools***

The Village participates in a jointly governed organization, and a public entity risk pool. Notes 10 & 11 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

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

***State Highway Fund:*** The State Highway Fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing the Village highways.

***Permissive Motor Vehicle License Tax Fund:*** This fund receives motor vehicle tax money for constructing, maintaining and repairing Village streets.

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*continued*

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***Impact Fee Fund:*** This fund is used to account for all financial resources committed to the construction of new residential properties within the Village.

***Mayor Computer Fund:*** This fund receives a portion of Mayor's Court receipts for purchasing, maintaining and repairing a Mayor's Court computer equipment.

***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 receives charges for services from residents to cover the cost of providing this utility.

***Sewer Fund:*** The sewer fund receives charges for services from residents to cover the cost of providing this utility.

***Utility Service Fund:*** The Utility fund receives deposits from residents to cover the cost of providing this utility.

***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. The Village's custodial fund accounts for the Village's Mayor's Court.

### ***Basis of Accounting***

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

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

### ***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. Unencumbered appropriations lapse at year end.

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*continued*

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

**Encumbrances:** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be appropriated. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2021 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

***Non-spendable:*** The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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

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

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

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*continued*

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

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

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

**Note 3- Budgetary Activity**

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$328,439	\$450,346	\$121,907
Special Revenue	186,560	201,483	14,923
Enterprise	708,500	722,883	14,383
Total	\$1,223,499	\$1,374,712	\$151,213

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$477,263	\$429,958	\$47,305
Special Revenue	142,413	87,072	55,341
Enterprise	801,887	626,134	175,753
Total	\$1,421,563	\$1,143,164	\$278,400

**Note 4 – Deposits and Investments**

The Village maintains a deposit 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:

Demand deposits	2021 \$ 885,754
Certificates of deposit	670,979
Total deposits	\$ 1,556,733



**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*continued*

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***Deposits***

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

**Note 5 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the 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 1 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**

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

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*continued*

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***Risk Pool Membership***

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

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

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021:

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

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System:*** Some of the 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 postemployment healthcare and survivor and disability benefits.

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

***Ohio Police and Fire Retirement System:*** The Village's certified full-time Police Officer belongs 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 postemployment 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. The Village has paid all contributions required through December 31, 2021.

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*continued*

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**Social Security:** Some of the Village’s 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, 2021.

**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 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 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 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, 2021 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan 4527	\$1,116,970	2.65%
OPWC Loan CK21H	225,000	0%
OPWC Loan CK17T	340,161	0%
OPWC Loan CT09U	32,638	0%
OPWC Loan CK10V	50,219	0%
Total	\$1,764,988	

The Village had four loans with the Ohio Public Works Commission (OPWC) during 2021. Loan CK21H was issued in 2009, in the amount of \$600,000, for wastewater system improvements. Loan CK17T was issued in 2017, in the amount of \$400,189, for wastewater system improvements. Loan CT09U was issued in 2017, in the amount of \$39,561, for street paving. Loan CK10V was issued in 2019, in the amount of \$55,799, for street paving. The Village will repay Loans CK10V, CK21H, CK17T, and CT09U in semiannual installments of \$1,395, \$15,000, \$6,670, and \$989, over a period of 20 years, 20 years, 30 years, and 20 years, respectively. Loans CK10V, CK21H, CK17T, and CT09U are being repaid through the Water Fund, Sewer Fund, and General Fund.

The Ohio Water Development Authority (OWDA) loan 4527 relates to a water and sewer plant expansion project. This loan was originally issued in the amount of \$2,551,833, in 2009, with a 2.65% annual interest rate. The Village will repay the loan in semiannual installments from the Sewer Fund.

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*continued*

***Amortization***

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

Year Ending December 31:	OWDA Loan	OPWC Loan CK21H	OPWC Loan CK17T	OPWC Loan CT09U	OPWC Loan CK10V
2022	\$165,200	\$30,000	\$13,340	\$1,978	\$2,790
2023	165,200	30,000	13,340	1,978	2,790
2024	165,200	30,000	13,340	1,978	2,790
2025	165,200	30,000	13,340	1,978	2,790
2026	165,200	30,000	13,340	1,978	2,790
2027-2031	412,999	75,000	66,698	9,890	13,950
2032-2036			66,698	9,890	13,950
2037-2041			66,698	2,968	8,369
2042-2046			66,698		
2047			6,669		
Total	\$1,239,001	\$225,000	\$340,161	\$32,638	\$50,219

**Note 10 – Jointly Governed Organizations**

The Village of North Lewisburg, along with the Village of Woodstock and the Townships of Rush and Wayne have joined to form The Northeast Champaign County Fire District to provide fire and EMS protection for said Villages and Townships. Two members from each board consists of The Northeast Fire District’s board with only one member a voting member.

**Note 11 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**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:

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*continued*

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Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	26,918	9,030	35,948
<i>Total</i>	\$26,918	\$9,030	\$35,948

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

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may 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 – Compliance**

The Village did not establish a separate fund for grant activity related to the American Rescue Plan Act (ARPA), in noncompliance with Ohio Revised Code Section 5705.09(F).

The Village had various untimely deposits, in noncompliance with Ohio Revised Code Section 9.38.

The Village was not able to timely locate certain accounting records, in noncompliance with Ohio Administrative Code Sections 117-2-02(D) and 117-2-02(C)(3).

**Note 15 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. 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 NORTH LEWISBURG  
CHAMPAIGN 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, 2020

	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash receipts:			
Property and Other Local Taxes	\$ 26,928	\$ 6,657	\$ 33,585
Municipal Income Tax	328,879	-	328,879
Intergovernmental	24,382	104,791	129,173
Charges for Services	-	4,800	4,800
Fines, Licenses and Permits	7,287	271	7,558
Earnings on Investments	8,374	874	9,248
Miscellaneous	10,485	-	10,485
Total cash receipts	<u>406,335</u>	<u>117,393</u>	<u>523,728</u>
Cash disbursements:			
Current:			
Security of Persons and Property	164,028	-	164,028
Public Health Services	75	-	75
Leisure Time Activities	3,111	-	3,111
Basic Utility Services	8,500	-	8,500
Transportation	2,877	58,975	61,852
General Government	207,318	-	207,318
Capital Outlay	16,290	1,880	18,170
Debt Service:			
Principal Retirement	2,384	-	2,384
Total cash disbursements	<u>404,583</u>	<u>60,855</u>	<u>465,438</u>
Excess of receipts over (under) disbursements	<u>1,752</u>	<u>56,538</u>	<u>58,290</u>
Other Financing Receipts (Disbursements):			
Other Financing Sources	7,980	-	7,980
Other Financing Uses	(6,882)	-	(6,882)
Total Other Financing Receipts (Disbursements)	<u>1,098</u>	<u>-</u>	<u>1,098</u>
Net change in fund cash balances	2,850	56,538	59,388
Fund cash balances, January 1, 2020	<u>532,097</u>	<u>165,620</u>	<u>697,717</u>
Fund cash balances, December 31, 2020	<u>\$ 534,947</u>	<u>\$ 222,158</u>	<u>\$ 757,105</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for Services	\$ 736,476
Total operating cash receipts	736,476
Operating cash disbursements:	
Personal Services	123,123
Employee Fringe Benefits	50,320
Contractual Services	71,737
Supplies and Materials	134,446
Other	1,980
Total operating cash disbursements	381,606
Operating income (loss)	354,870
Nonoperating cash receipts/(disbursements):	
Capital Outlay	(7,000)
Other Financing Sources	1,200
Principal Retirement	(237,882)
Interest and Other Fiscal Charges	(38,450)
Total nonoperating cash receipts/(disbursements)	(282,132)
Net change in fund cash balances	72,738
Fund cash balances, January 1, 2020	407,897
Fund cash balances, December 31, 2020	\$ 480,635

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY, OHIO**

STATEMENT OF ADDITIONS, DEDUCTIONS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Fiduciary Fund Type
	Custodial
	Other Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	8,795
<i>Total Additions</i>	8,795
<b>Deductions</b>	
Other Distributions	6,042
<i>Total Deductions</i>	6,042
<i>Net Change in Fund Balances</i>	2,753
<i>Fund Cash Balances, January 1, 2020</i>	4,868
<i>Fund Cash Balances, December 31, 2020</i>	\$7,621

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT



**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 - Reporting Entity**

The Village of North Lewisburg, Champaign 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, (leisure time activities) and police services (security of persons and property). The Village contracted with the Mechanicsburg Police Department until April of 2020 to provide security of persons and property. The Village receives fire protection and EMS services from The Northeast Champaign County Fire District. For more detail on the Northeast Champaign County Fire District, see Note 10.

***Jointly Governed Organizations, and Public Entity Risk Pools***

The Village participates in a jointly governed organization, and a public entity risk pool. Notes 10 & 11 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

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

***State Highway Fund:*** The State Highway Fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing the Village highways.

***Permissive Motor Vehicle License Tax Fund:*** This fund receives motor vehicle tax money for constructing, maintaining and repairing Village streets.

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*continued*

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**Impact Fee Fund:** This fund is used to account for all financial resources committed to the construction of new residential properties within the Village.

**Mayor Computer Fund:** This fund receives a portion of Mayor's Court receipts for purchasing, maintaining and repairing a Mayor's Court computer equipment.

**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 receives charges for services from residents to cover the cost of providing this utility.

**Sewer Fund:** The sewer fund receives charges for services from residents to cover the cost of providing this utility.

**Utility Service Fund:** The Utility fund receives deposits from residents to cover the cost of providing this utility.

**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. The Village's custodial fund accounts for the Village's Mayor's Court.

### ***Basis of Accounting***

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

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

### ***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. Unencumbered appropriations lapse at year end.

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*continued*

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**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. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2020 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

***Non-spendable:*** The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

***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.

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*continued*

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

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

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

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

**Note 3- Budgetary Activity**

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$419,186	\$414,315	(\$4,871)
Special Revenue	103,353	117,393	14,040
Enterprise	700,361	737,676	37,315
Total	\$1,222,900	\$1,269,384	\$46,484

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$491,700	\$422,027	\$69,673
Special Revenue	138,700	64,568	74,132
Enterprise	812,860	675,964	136,896
Total	\$1,443,260	\$1,162,559	\$280,701

**Note 4 – Deposits and Investments**

The Village maintains a deposit 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:

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*continued*

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	2020
Demand deposits	\$ 574,382
Certificates of deposit	670,979
Total deposits	<u>\$ 1,245,361</u>

***Deposits***

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

**Note 5 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the 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 1 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**

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

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*continued*

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***Risk Pool Membership***

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

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

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2020:

	<u>2020</u>
Cash and investments	\$ 40,318,971
Actuarial liabilities	\$14,111,510

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System:*** Some of the 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 postemployment healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

***Social Security:*** Some of the Village's 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, 2020.

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*continued*

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**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which includes 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 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020.

**Note 9 – Debt:**

Debt outstanding at December 31, 2020 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan 4527	\$1,183,881	2.65%
OPWC Loan CK21H	270,000	0%
OPWC Loan CK17T	360,170	0%
OPWC Loan CT09U	35,605	0%
OPWC Loan CK10V	54,404	0%
Total	\$1,904,060	

The Village had four loans with the Ohio Public Works Commission (OPWC) during 2020. Loan CK21H was issued in 2009, in the amount of \$600,000, for wastewater system improvements. Loan CK17T was issued in 2017, in the amount of \$400,189, for wastewater system improvements. Loan CT09U was issued in 2017, in the amount of \$39,561, for street paving. Loan CK10V was issued in 2019, in the amount of \$55,799, for street paving. The Village will repay Loans CK10V, CK21H, CK17T, and CT09U in semiannual installments of \$1,395, \$15,000, \$6,670, and \$989, over a period of 20 years, 20 years, 30 years, and 20 years, respectively. Loans CK10V, CK21H, CK17T, and CT09U are being repaid through the Water Fund, Sewer Fund, and General Fund.

The Ohio Water Development Authority (OWDA) loan 4527 relates to a water and sewer plant expansion project. This loan was originally issued in the amount of \$2,551,833, in 2009, with a 2.65% annual interest rate. The Village will repay the loan in semiannual installments from the Sewer Fund.

The Village had Mortgage Revenue Refunding Bonds which were issued in 2003 to refund the 1995 Waterworks System Mortgage Revenue Bonds. These bonds were fully repaid during 2020 from the Water Fund.

**Leases**

The Village leased a 2016 Ford F-550 dump truck with plow. This lease was fully repaid during 2020 from the General Fund.

**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*continued*

***Amortization***

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

Year Ending December 31:	OWDA Loan	OPWC Loan CK21H	OPWC Loan CK17T	OPWC Loan CT09U	OPWC Loan CK10V
2021	\$165,200	\$30,000	\$13,340	\$1,978	\$2,790
2022	165,200	30,000	13,340	1,978	2,790
2023	165,200	30,000	13,340	1,978	2,790
2024	165,200	30,000	13,340	1,978	2,790
2025	165,200	30,000	13,340	1,978	2,790
2026-2030	495,600	120,000	66,698	9,890	13,950
2031-2035			66,698	9,890	13,950
2036-2040			66,698	5,934	12,555
2041-2045			66,698		
2046-2047			26,680		
Total	\$1,321,602	\$270,000	\$360,172	\$35,604	\$54,405

**Note 10 – Jointly Governed Organizations**

The Village of North Lewisburg, along with the Village of Woodstock and the Townships of Rush and Wayne have joined to form The Northeast Champaign County Fire District to provide fire and EMS protection for said Villages and Townships. Two members from each board consists of The Northeast Fire District’s board with only one member a voting member.

**Note 11 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**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 unexpended 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:



**Village of North Lewisburg**  
*Champaign County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*continued*

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Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	10,562	3,713	14,275
<i>Total</i>	\$10,562	\$3,713	\$14,275

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

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2020, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may 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 – Compliance**

The Village had various untimely deposits, in noncompliance with Ohio Revised Code Section 9.38.

The Village was not able to timely locate certain accounting records, in noncompliance with Ohio Administrative Code Sections 117-2-02(D) and 117-2-02(C)(3).

**Note 15 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. 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 16 – 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 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. There was no effect on the beginning fund balances.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in Accordance With  
*Government Auditing Standards***

Village of North Lewisburg  
Champaign County  
60 East Maple Street  
P.O. Box 243  
North Lewisburg, OH 43060

To the Members of 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, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total of the Village of North Lewisburg, Champaign County, Ohio, as of and for the years ended December 31, 2021, and 2020 and the related notes to the financial statements and have issued our report thereon dated December 9, 2022, wherein we noted as described in Note 2 to the financial statements, the Village of North Lewisburg followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. As described in Note 16 to the financial statements for the year ended December 31, 2020, the Village of North Lewisburg adopted changes in accounting principles and modified the definition of fiduciary funds, added a separate Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) - Fiduciary Fund Type, and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balance (Regulatory Cash Basis) – All Governmental Fund Types. Furthermore, we noted as described in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of North Lewisburg'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 of North Lewisburg's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of North Lewisburg'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 of North Lewisburg's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 through 2021-005 that we consider to be material weaknesses.

Village of North Lewisburg  
Champaign County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

As part of obtaining reasonable assurance about whether the Village of North Lewisburg'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 and responses as items 2021-002 through 2021-004.

### **The Village of North Lewisburg's Responses to the Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village of North Lewisburg's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Village of North Lewisburg'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 of North Lewisburg'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 of North Lewisburg's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.  
December 9, 2022

VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY, OHIO

SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2021 AND 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2021-001

Material Weakness - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes.

Certain adjustments were made to the financial statements and note disclosures for the years ended December 31, 2021 and 2020, to properly state financial statement amounts related to taxes, intergovernmental, charges for services, debt, general government and Mayor's Court. For 2021 and 2020, Mayor's Court activity was not posted in the Village's Uniform Accounting Network system and therefore was not included in the Village's unaudited financial statements for 2021 and 2020. The audited financial statements, note disclosures and Village records have been adjusted for the misstatements identified during the audit.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the Village's activity.

We recommend the Village implement additional control procedures that enable management to more timely prevent, detect and correct potential misstatements in the financial statements prior to presenting them to the auditors. Further, we recommend the Village review the adjustments noted during the audit and incorporate them into future reports.

Client Response: Effective January 1, 2023, the Village Council voted to no longer have Mayor's Court. All court cases will be sent to the local Municipal Court.

Finding Number	2021-002
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Material Weakness/Noncompliance – ARPA Fund

Ohio Revised Code Section 5705.09(F) requires subdivisions to establish separate funds for each class of revenue derived from a source other than the general property tax, which the law requires to be used for a particular purpose.

During 2021, the Village did not establish a separate fund for grant activity related to the American Rescue Plan Act (ARPA) and recorded ARPA receipts into the General fund. These receipts have not been spent as of the date of this report. Adjustments were made to the financial statements and note disclosures to properly account for receipts related to the ARPA monies.

Not posting monies to the proper fund could result in expenditures being made that are not allowable based on the restrictions of the fund.

We recommend the Village follow Ohio Revised Code Section 5705.09(F) and create new funds as required.

Client Response: The correct separate fund has been established for ARPA Funds and has been corrected.

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2021 AND 2020**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)</b>	
Finding Number	2021-003

Material Weakness/Noncompliance - Timely Deposits

Ohio Revised Code Section 9.38 requires public money to be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. This section also stipulates if the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting officials who receive money to hold it past the next business day, but the deposit must be made no later than three business days after receiving it. If the amount exceeds \$1,000 or a lesser amount cannot be safeguarded, the public official must then deposit the money on the next business day.

The Village held funds of varying amounts longer than the allowable number of business days without depositing them in accordance with the Ohio Revised Code Section 9.38.

As a result, not only is there risk of loss from burglary, misplacement, or misappropriation, but the cash is not available for expenditures or investment. Timely deposits also reduce the risk of receipts being lost, misappropriated or improperly posted and going undetected by management.

We recommend that the Village monitor collections and ensure that monies are deposited in accordance with state statute. This will improve cash flow and reduce the risk of loss. Further guidance regarding specific dollar amounts may be found in the Ohio Compliance Supplement.

Client Response: With the hiring of another office staff, monies are being deposited in a timely manner.

Finding Number	2021-004
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Material Weakness/Noncompliance – Availability of Accounting Records

Ohio Administrative Code (OAC) Section 117-2-02(D) states that all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides and should consider the degree of automation and other factors. Such records should include a cash receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payor, purpose, receipt number, and other information required for the transactions should be recorded on this ledger. The local office should also maintain adequate documentation to support the amounts recorded on this ledger. In addition, OAC § 117-2-02(C)(3) states that check vouchers may be used as a written order authorizing the drawing of a check in payment of a lawful obligation of the public office. Each voucher shall contain the date, purchase order number, the account code, amount, approval, and any other required information. The local office should also attach supporting documentation to the voucher, such as vendor invoices and timely record the transaction into its manual or computerized account records. It is management’s responsibility to implement internal accounting control policies and procedures to reasonably ensure the Village’s receipts and disbursements are safeguarded and recorded. Specifically, these control procedures include the maintenance of adequate documentation to support the accuracy and completeness of receipt and disbursement records.

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2021 AND 2020**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)</b>	
Finding Number	2021-004 – (Continued)

The Village could not locate various bank statements for their Mayor’s Court or support for various receipts and expenditures in a timely manner. This information was eventually located after multiple follow-up inquiries and the support was determined to be sufficient. In some instances, alternative procedures were performed to determine the appropriateness of receipts and expenditures.

By not maintaining all supporting documentation related to bank statements, receipts, and expenditures, the Village is at risk of funds being misused or misplaced. This could create an opportunity for fraud, theft, or error.

We recommend the Village maintain all required accounting records including bank statements and support for receipts and expenditures in manual or computerized format. All accounting records should be maintained in a central location and in an organized manner to allow for easy access when needed. This should assist the Village in monitoring its activity and aid in the audit process. Further, this will help create a stronger control environment that mitigates the risk of fraud or error.

Client Response: Internal controls are being updated to rectify the deficiencies. Effective January 1, 2023, the Village Council voted to no longer have Mayor's Court. All court cases will be sent to the local Municipal Court.

Finding Number	2021-005
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Material Weakness – Bank Reconciliations

The completion of timely monthly bank reconciliations to zero unidentified differences is critical to financial data reporting for both the Village Council and its citizens.

The Village was unable to provide evidence that timely monthly bank reconciliations to zero unidentified differences were being completed for its Mayor's Court bank account.

Without timely monthly bank reconciliations to zero unidentified differences the Village is at risk of mis-postings of receipts and disbursements going unnoticed which could lead to inaccurate financial reporting and the potential for misstatements.

We recommend the Village timely reconcile all bank accounts to zero unidentified differences, and present these completed bank statements to the Village Council on a monthly basis for review and approval. This will help ensure the accuracy of reporting on a timely basis.

Client Response: Effective January 1, 2023, the Village Council voted to no longer have Mayor's Court. All court cases will be sent to the local Municipal Court.

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY, OHIO**

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

<b>Finding Number</b>	<b>Year Initially Occurred</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	2017	<u>Material Weakness – Financial Statement Presentation</u> – A monitoring system by the Fiscal Officer and Village Council should be in place to prevent or detect material misstatements for the accurate presentations of the Village’s financial statements. The Village had several audit adjustments.	Not Corrected	Finding repeated as 2021-001 as the Village’s financial report required audit adjustments.
2019-002	2019	<u>Material Weakness/Noncompliance - OPWC On-Behalf Monies</u> – The Village did not record on-behalf monies from the Ohio Public Works Commission in the Uniform Accounting Network system or the unaudited financial statements.	No Longer Warranting Further Action	The Village did not receive any on-behalf monies from the Ohio Public Works Commission in 2021 or 2020.

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF NORTH LEWISBURG**

**CHAMPAIGN 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 4/6/2023**

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

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